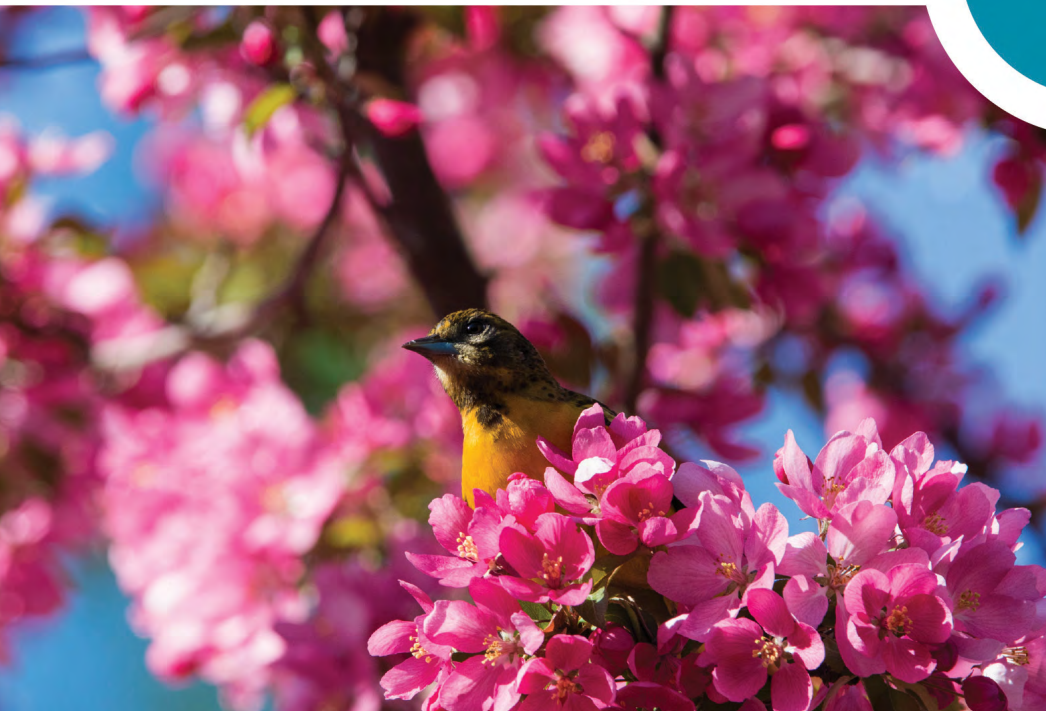
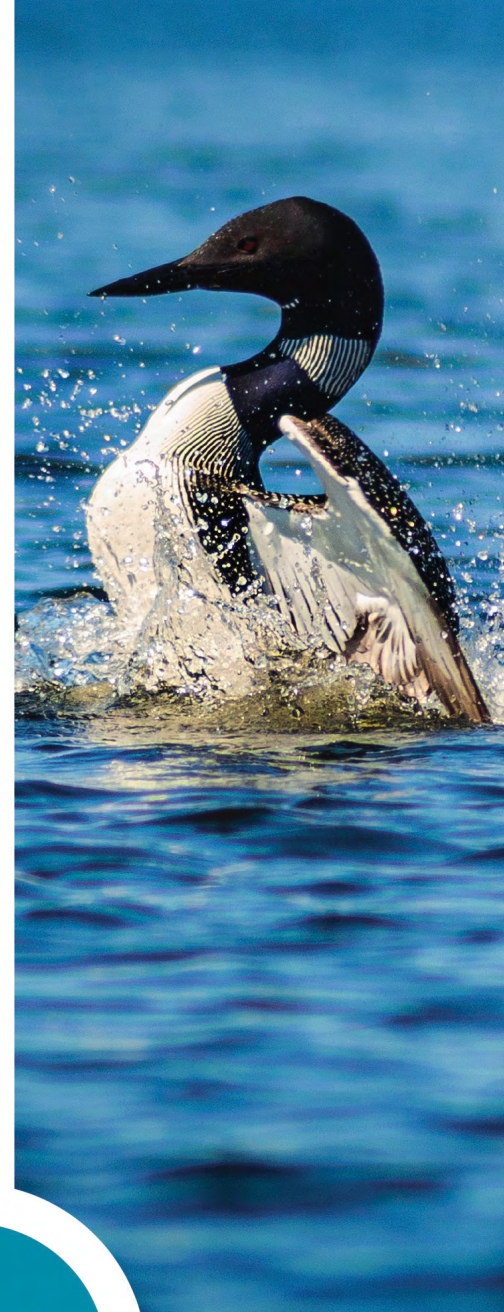


Minnesota

Financial and Compliance Report on Federally Assisted Programs

For the year ended June 30, 2025



Produced by Minnesota
Management and Budget

mi MANAGEMENT
AND BUDGET





State of Minnesota

Financial and Compliance Report on Federally Assisted Programs

For the Year Ended June 30, 2025

Prepared by Minnesota
Management and Budget
Erin Campbell,
Commissioner
400 Centennial Office Building
658 Cedar Street
Saint Paul, Minnesota 55155-1489

2025
Financial and
Compliance Report on
Federally Assisted
Programs

The State of Minnesota Financial and Compliance Report on Federally Assisted Programs can be made available in alternative formats upon request, to ensure that it is accessible to people with disabilities. To obtain this document in an alternate format, contact:

Minnesota Management and Budget
400 Centennial Office Building
658 Cedar Street
Saint Paul, Minnesota 55155-1489
651-201-8000

The Minnesota Relay service phone number is 1-800-627-3529.

The State of Minnesota Annual Comprehensive Financial Report is available at the following website:
<http://www.mn.gov/mmb/accounting/reports/>

2025 Financial and Compliance Report on Federally Assisted Programs
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Date: March 26, 2026

To: The Honorable Tim Walz, Governor

From: Commissioner Erin Campbell

Handwritten initials 'EC' in blue ink, positioned to the right of the 'From' line.

Cc: Chief of Staff Patrick Tanis

RE: 2025 Financial and Compliance Report on Federally Assisted Programs Transmittal Letter from the Commissioner of Minnesota Management and Budget

Dear Governor Walz:

I am submitting the State of Minnesota Financial and Compliance Report on Federally Assisted Programs for the year ended June 30, 2025. This report meets the requirements of the Federal Single Audit Act of 1984 as amended in 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) contained in 2 CFR Part 200, as applicable.

This Financial and Compliance report on Federally Assisted Programs includes all federal assistance expended by the state agencies determined to be a part of the state of Minnesota's primary government. Programs administered by the State's discretely presented component units are reported in separate single audit reports issued by the individual component units. The criteria used to define the state's reporting entity are those established by the Governmental Accounting Standards Board.

For purposes of the single audit in Minnesota, the audited entity is the state rather than each state agency. With this approach, the primary government receives one annual financial audit and one audit of the major federal programs. This is an efficient approach for Minnesota because state agencies all utilize the same centralized control systems (accounting, personnel/payroll, and procurement).

Management Responsibilities

Minnesota Management and Budget is responsible for the accuracy, fairness, and completeness of the Schedule of Expenditures of Federal Awards, including all disclosures, presented in this report. The department is also responsible for the Statewide Integrated Financial Tools System (SWIFT), which was used in preparing this report. I believe the schedule provides a fair representation of expenditures for federal programs for the year ended June 30, 2025.

The financial schedule presented is meant to provide a consistent basis for reporting on the expenditures of federal assistance received by state agencies. The schedule is not meant to replace recipient financial reporting currently required for each individual program of federal assistance.

Minnesota Management and Budget is responsible for designing and applying statewide internal controls. State agencies are responsible for additional internal controls used for the administration of

federal programs. These controls provide reasonable assurance that the state's assets are protected against loss, either intentional or unintentional; resource use is consistent with laws, regulations, and policies; transactions are executed in accordance with management's authorization; and the accounting records from which the financial schedule was prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

In addition, state agencies have specific responsibilities for federal programs. State agencies are required to manage and maintain adequate accounting records for their federal programs. They are required by the relevant federal departments and agencies to prepare periodic financial reports. State agencies are also responsible for assuring that organizations to which they subgrant federal funds have the required audits and promptly resolve federal program deficiencies reported as a result of those audits. The U.S. Department of Health and Human Services - Office of Inspector General - Office of Audit Services serves as the lead cognizant agency representing all federal agencies awarding federal assistance to the state of Minnesota.

Federal Financial Assistance to the State of Minnesota

In fiscal year 2025, the state of Minnesota expended approximately \$20.8 billion in federal assistance for its many programs.

Audits

The Minnesota Office of the Legislative Auditor performs an annual statewide audit primarily for the purpose of expressing an audit opinion on the financial statements included in the state's Annual Comprehensive Financial Report prepared by Minnesota Management and Budget. Another purpose of the statewide audit is to provide information to the Governor, Legislature, and heads of state agencies concerning financial and accounting issues involving the state and its agencies.

The Office of the State Auditor has audited the state's major federal programs identified in this single audit report in accordance with the Uniform Guidance contained in 2 CFR Part 200, as applicable. The auditor's report on compliance with requirements applicable to each major federal program and on internal control over compliance is included as part of this report. The Office of the Legislative Auditor has issued a report on internal control over financial reporting in conjunction with the audit of the state's Annual Comprehensive Financial Report for the year ended June 30, 2025.

All subrecipients receiving federal assistance from Minnesota state agencies have been required to have audits in accordance with the Uniform Guidance contained in 2 CFR Part 200, as applicable.

Report

This Financial and Compliance report on Federally Assisted Programs supplements the state's Annual Comprehensive Financial Report for the year ended June 30, 2025, and includes financial information on federal programs which was compiled by Minnesota Management and Budget.

The Office of the State Auditor is responsible for preparing the auditor's report on compliance with requirements applicable to each major federal program and on internal controls over compliance, the

summary of auditor's results, and the Schedule of Findings and Questioned Costs. Minnesota Management and Budget is responsible for preparing the schedule of expenditures for federal awards and the status of prior federal program audit findings schedule.

Acknowledgments

Although Minnesota Management and Budget accepts final responsibility for this report, we would like to acknowledge the significant assistance provided by staff in the many state agencies receiving federal assistance. The financial schedule agencies prepared for each of their federal programs were used to compile this financial schedule.





Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the Schedule of Expenditures of Federal Awards of the State of Minnesota for the year ended June 30, 2025, and the related notes (SEFA).

In our opinion, based on our audit and the report of other auditors, the accompanying SEFA presents fairly, in all material respects, the expenditures of federal awards of the State of Minnesota for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the amounts expended by Minnesota State Colleges and Universities (Minn State), totaling \$661,795,847, for the year ended June 30, 2025. Minn State's SEFA was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts expended by Minn State, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of the SEFA section of our report.

We are required to be independent of the State of Minnesota, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the SEFA

Management is responsible for the preparation and fair presentation of the SEFA in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the SEFA that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the SEFA

Our objectives are to obtain reasonable assurance about whether the SEFA as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the SEFA.

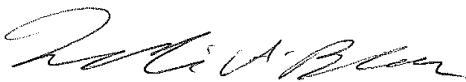
In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the SEFA, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the SEFA;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Minnesota's internal control. Accordingly, no such opinion is expressed; and
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the SEFA.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026, on our consideration of the State of Minnesota's internal control over financial reporting of the SEFA and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting of the SEFA and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Minnesota's internal control over financial reporting of the SEFA or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Minnesota's internal control over financial reporting of the SEFA and compliance.



Julie Blaha
State Auditor



Chad Struss, CPA
Deputy State Auditor

March 26, 2026



Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report on Internal Control Over Financial Reporting of the Schedule of Expenditures of Federal Awards and on Compliance and Other Matters Based on an Audit of the Schedule of Expenditures of Federal Awards Performed in Accordance with *Government Auditing Standards*

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Expenditures of Federal Awards of the State of Minnesota for the year ended June 30, 2025, and the related notes (SEFA), and have issued our report thereon dated March 26, 2026.

Our report includes a reference to other auditors who audited the SEFA of Minnesota State Colleges and Universities, as described in our report on the State of Minnesota's SEFA. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting of the Schedule of Expenditures of Federal Awards

In planning and performing our audit of the SEFA, we considered the State of Minnesota's internal control over financial reporting of the SEFA as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the SEFA, but not for the purpose of expressing an opinion on the effectiveness of the State of Minnesota's internal control over financial reporting of the SEFA. Accordingly, we do not express an opinion on the effectiveness of the State of Minnesota's internal control over financial reporting of the SEFA.

A *deficiency in internal control over financial reporting of the SEFA* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting of the SEFA such that there is a reasonable possibility that a material misstatement of the State of Minnesota's SEFA will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting of the SEFA that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting of the SEFA was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting of the SEFA that might be material weaknesses or significant deficiencies and, therefore, material

weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over financial reporting of the SEFA, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

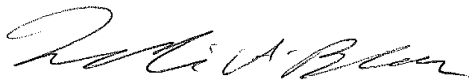
As part of obtaining reasonable assurance about whether the State of Minnesota’s SEFA is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the SEFA. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Minnesota’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the State of Minnesota’s response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The State of Minnesota’s response was not subjected to the auditing procedures applied in the audit of the SEFA and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting of the SEFA and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State’s internal control over financial reporting of the SEFA or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Minnesota’s internal control over financial reporting of the SEFA and compliance. Accordingly, this communication is not suitable for any other purpose.



Julie Blaha
State Auditor



Chad Struss, CPA
Deputy State Auditor

March 26, 2026



Julie Blaha
State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Honorable Tim Walz, Governor
Members of the Minnesota Legislature
Ms. Erin Campbell, Commissioner of Minnesota Management and Budget
State of Minnesota
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the State of Minnesota's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the State of Minnesota's major federal programs for the year ended June 30, 2025. The State of Minnesota's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

We did not audit the Student Financial Assistance Cluster major program in the amount of \$582,273,272 for the year ended June 30, 2025. That program was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the federal program's compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, is based solely on the report of the other auditors.

Qualified Opinion on WIOA Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on WIOA Cluster for the year ended June 30, 2025.

Qualified Opinion on Aging Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Aging Cluster for the year ended June 30, 2025.

Qualified Opinion on Temporary Assistance for Needy Families

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Temporary Assistance for Needy Families for the year ended June 30, 2025.

Qualified Opinion on CCDF Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CCDF Cluster for the year ended June 30, 2025.

Qualified Opinion on Foster Care Title IV-E

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Foster Care Title IV-E for the year ended June 30, 2025.

Qualified Opinion on Adoption Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Adoption Assistance for the year ended June 30, 2025.

Qualified Opinion on Children’s Health Insurance Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Children’s Health Insurance Program for the year ended June 30, 2025.

Qualified Opinion on Medicaid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Minnesota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Medicaid Cluster for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, based on our audit and the audit of other auditors, the State of Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Minnesota and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State of Minnesota’s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on WIOA Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding WIOA Cluster as described in finding numbers 2025-003 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting; 2025-004 for Reporting; and 2025-007 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matter Giving Rise to Qualified Opinion on Aging Cluster](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Aging Cluster as described in finding number 2025-012 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matters Giving Rise to Qualified Opinion on Temporary Assistance for Needy Families](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing Number 93.558 Temporary Assistance for Needy Families as described in finding numbers 2025-014 for Eligibility and 2025-015 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matter Giving Rise to Qualified Opinion on CCDF Cluster](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding CCDF Cluster as described in finding number 2025-017 for Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matters Giving Rise to Qualified Opinion on Foster Care Title IV-E](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing Number 93.658 Foster Care Title IV-E as described in finding numbers 2025-010 for Reporting and 2025-018 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matter Giving Rise to Qualified Opinion on Adoption Assistance](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing Number 93.659 Adoption Assistance as described in finding number 2025-010 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

[Matters Giving Rise to Qualified Opinion on Children's Health Insurance Program](#)

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Assistance Listing Number 93.767 Children's Health Insurance Program as described in finding numbers 2025-020 and 2025-021 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on Medicaid Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Minnesota did not comply with requirements regarding Medicaid Cluster as described in finding numbers 2025-022 for Eligibility and 2025-023 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State of Minnesota to comply with the requirements applicable to that program.

Other Matter – Federal Expenditure Not Included in the Compliance Audit

The State of Minnesota's basic financial statements include the operations of the Housing Finance Agency, the University of Minnesota, the Office of Higher Education, and the Public Facilities Authority component units, which expended \$495,499,665; \$1,296,259,853; \$4,179,403; and \$103,883,299, respectively, in federal awards for the year ended June 30, 2025, and the Metropolitan Council and Minnesota Comprehensive Health Association component units, which expended \$527,184,736, and \$119,486,495, respectively, in federal awards for the year ended December 31, 2024, which are not included in the State of Minnesota's Schedule of Expenditures of Federal Awards for the year ended June 30, 2025. Our compliance audit, described in the Qualified and Unmodified Opinions section, does not include the operations of these component units because they each had a separate single audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State of Minnesota's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Minnesota's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Minnesota's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State of Minnesota's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and
- obtain an understanding of the State of Minnesota's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an

opinion on the effectiveness of the State of Minnesota’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as identified below. Our opinion on each major federal program is not modified with respect to these matters.

Finding Numbers:

2025-002	2025-005	2025-006	2025-008	2025-009
2025-011	2025-013	2025-016	2025-019	2025-024
2025-025	2025-026			

Government Auditing Standards requires the auditor to perform limited procedures on the State of Minnesota’s response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Minnesota’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as the items identified below to be material weaknesses.

Material Weakness Finding Numbers:

2025-003	2025-004	2025-007	2025-010	2025-012
2025-014	2025-015	2025-017	2025-018	2025-020
2025-021	2025-022	2025-023		

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged

with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as the items identified below to be significant deficiencies.

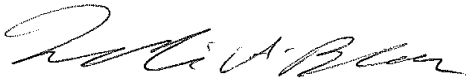
Significant Deficiency Finding Numbers:

2025-002	2025-005	2025-006	2025-008	2025-009
2025-011	2025-013	2025-016	2025-019	2025-024
2025-025	2025-026			

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Minnesota's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Minnesota's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Julie Blaha
State Auditor



Chad Struss, CPA
Deputy State Auditor

March 26, 2026

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Agriculture				
Supplemental Nutrition Assistance Program (SNAP) Cluster				
10.551	Supplemental Nutrition Assistance Program	Human Services	\$ 874,719,934	\$ -
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	\$ 99,648,601	\$ 81,715,281
Supplemental Nutrition Assistance Program (SNAP) Cluster Total:			\$ 974,368,535	\$ 81,715,281
Forest Service Schools and Roads Cluster				
10.665	Schools and Roads - Grants to States	MN Management & Budget	\$ 6,620,002	\$ 6,620,002
Forest Service Schools and Roads Cluster Total:			\$ 6,620,002	\$ 6,620,002
Food Distribution Cluster				
10.565	Commodity Supplemental Food Program	Health	\$ 908,351	\$ 875,587
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	\$ 1,822,851	\$ 1,464,697
Food Distribution Cluster Total:			\$ 2,731,202	\$ 2,340,284
Child Nutrition Cluster				
10.553	School Breakfast Program	Education	\$ 79,251,576	\$ 79,161,010
10.555	National School Lunch Program	Education	\$ 279,668,588	\$ 279,477,559
10.556	Special Milk Program for Children	Education	\$ 518,138	\$ 518,138
10.559	Summer Food Service Program for Children	Education	\$ 12,418,064	\$ 12,030,848
10.582	Fresh Fruit and Vegetable Program	Education	\$ 3,706,932	\$ 3,695,487
Child Nutrition Cluster Total:			\$ 375,563,298	\$ 374,883,042
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture	\$ 663,080	\$ -
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Animal Health Board	\$ 791,712	\$ -
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Minn State	\$ 7,260	\$ -
10.025	<i>Pass-Through from the Spangy Moth Slow the Spread Regulatory Program (Unknown)</i>	Agriculture	\$ 39,200	\$ -
Program 10.025 Total:			\$ 1,501,252	\$ -
10.028	Wildlife Services	Natural Resources	\$ 215,283	\$ 69,213
10.093	Voluntary Public Access and Habitat Incentive Program	Natural Resources	\$ 599,382	\$ -
10.153	Market News	Agriculture	\$ 49,096	\$ 41,408
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture	\$ 1,571,440	\$ 1,184,908
10.171	Organic Certification Cost Share Programs	Agriculture	\$ 160,628	\$ -
10.174	Acer Access Development Program	Minn State	\$ 22,768	\$ -
10.182	COVID-19-Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	Agriculture	\$ 2,780,482	\$ 2,294,237
10.185	Local Food for Schools Cooperative Agreement Program	Agriculture	\$ 608,151	\$ 608,151
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	Human Services	\$ 233,835	\$ 233,835
10.190	Resilient Food System Infrastructure Program	Agriculture	\$ 2,839,170	\$ 2,325,517
10.194	Commodity Credit Corporation (CCC) Funding to Alleviate Emergency Supply Chain Disruption in the Commodity Supplemental Food Program (CSFP)	Health	\$ 6,231	\$ 6,231
10.215	Sustainable Agriculture Research and Education	Agriculture	\$ 24,175	\$ -
10.221	Tribal Colleges Education Equity Grants	Minn State	\$ 57,848	\$ -
10.222	Tribal Colleges Endowment Program	Minn State	\$ 63,106	\$ -
10.227	1994 Institutions Research Grants	Minn State	\$ 580,392	\$ -
10.237	From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	Minn State	\$ 631,002	\$ -
10.307	Organic Agriculture Research and Extension Initiative	Minn State	\$ 7,993	\$ -
10.310	Agriculture and Food Research Initiative (AFRI)	Minn State	\$ 75,592	\$ -
10.319	Farm Business Management and Benchmarking Competitive Grants Program	Minn State	\$ 60,484	\$ -
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	Minn State	\$ 14	\$ -
10.331	Gus Schumacher Nutrition Incentive Program	Health	\$ 240,445	\$ 203,629
10.382	Meat and Poultry Intermediary Lending Program (7)	Agriculture	\$ 8,216,311	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture	\$ 1,984,918	\$ -
10.479	Food Safety Cooperative Agreements	Agriculture	\$ 254,414	\$ -
10.500	Cooperative Extension Service	Minn State	\$ 105,132	\$ -
10.517	Tribal Colleges Extension Programs	Minn State	\$ 159,493	\$ -
10.520	Agriculture Risk Management Education Partnerships Competitive Grants Program	Minn State	\$ 3,000	\$ -
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	Agriculture	\$ 154,762	\$ 110,335
10.531	State Agency: Farm to School Program Training and Curricula			
10.531	<i>Pass-Through from the Shelburne Farms (Unknown)</i>	Agriculture	\$ 8,980	\$ -
10.531	<i>Pass-Through from the Shelburne Farms (GME3700014)</i>	Education	\$ 20,337	\$ -
	Program 10.531 Total:		\$ 29,317	\$ -
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	Human Services	\$ 94,554	\$ -
10.541	Child Nutrition-Technology Innovation Grant	Education	\$ 691,844	\$ -
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (4)	Agriculture	\$ 96,385	\$ -
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children (4)	Health	\$ 113,952,950	\$ 31,929,123
10.557	<i>Pass-Through from the Gretchen Swanson Center for Nutrition (Midwest WIC SWOOP) (4)</i>	Health	\$ 46,042	\$ -
	Program 10.557 Total:		\$ 114,095,377	\$ 31,929,123
10.558	Child and Adult Care Food Program	Education	\$ 66,228,920	\$ 64,703,283
10.560	State Administrative Expenses for Child Nutrition	Education	\$ 7,934,422	\$ 1,498,176
10.572	WIC Farmers' Market Nutrition Program (FMNP)	Agriculture	\$ 421,453	\$ -
10.574	Team Nutrition Grants	Education	\$ 326,089	\$ -
10.575	Farm to School Grant Program	Agriculture	\$ 78,135	\$ -
10.576	Senior Farmers Market Nutrition Program	Agriculture	\$ 297,212	\$ -
10.578	WIC Grants to States (WGS)	Health	\$ 425,124	\$ 27,547
10.579	Child Nutrition Discretionary Grants Limited Availability	Education	\$ 378,862	\$ 366,642
10.589	Child Nutrition Direct Certification Performance Awards	Education	\$ 441	\$ 441
10.645	COVID-19-Farm to School State Formula Grant	Education	\$ 258,668	\$ -
10.646	Summer Electronic Benefit Transfer Program for Children	Education	\$ 976,704	\$ -
10.646	Summer Electronic Benefit Transfer Program for Children	Human Services	\$ 67,249,848	\$ -
	Program 10.646 Total:		\$ 68,226,552	\$ -
10.652	Forestry Research	Minn State	\$ 1,771	\$ -
10.664	Cooperative Forestry Assistance	Natural Resources	\$ 397,197	\$ 298,788
10.675	Urban and Community Forestry Program	Natural Resources	\$ 657,899	\$ 631,708
10.676	Forest Legacy Program	Natural Resources	\$ 722,871	\$ -
10.678	Forest Stewardship Program	Natural Resources	\$ 738,799	\$ 40,857
10.680	Forest Health Protection	Agriculture	\$ 6,423	\$ -
10.680	Forest Health Protection	Natural Resources	\$ 292,199	\$ 5,875
10.680	<i>Pass-Through from the Slow the Spread Trapping and Treatment Program (Unknown)</i>	Agriculture	\$ 529,895	\$ -
	Program 10.680 Total:		\$ 828,517	\$ 5,875
10.698	State & Private Forestry Cooperative Fire Assistance	Natural Resources	\$ 1,354,514	\$ 312,660
10.707	Research Joint Venture and Cost Reimbursable Agreements	Natural Resources	\$ 199,683	\$ -
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants	Natural Resources	\$ 87,376	\$ 28,285
10.727	Inflation Reduction Act Urban & Community Forestry Program	Natural Resources	\$ 336,747	\$ 210,471
10.902	Soil and Water Conservation	Agriculture	\$ 78,444	\$ 22,771
10.902	Soil and Water Conservation	Minn State	\$ 407,306	\$ -
	Program 10.902 Total:		\$ 485,750	\$ 22,771
10.912	Environmental Quality Incentives Program	Water & Soil Resources	\$ 629,314	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
10.912	<i>Pass-Through from the Regents of the University of Minnesota (Unknown)</i>	Agriculture	\$ 7,439	\$ -
	Program 10.912 Total:		\$ 636,753	\$ -
10.924	Conservation Stewardship Program	Water & Soil Resources	\$ 28,725	\$ -
10.931	Agricultural Conservation Easement Program	Minn State	\$ 66,097	\$ -
10.932	Regional Conservation Partnership Program	Agriculture	\$ 22,902	\$ -
10.932	Regional Conservation Partnership Program	Minn State	\$ 27,703	\$ -
	Program 10.932 Total:		\$ 50,605	\$ -
10.933	Wetland Mitigation Banking Program	Water & Soil Resources	\$ 66,027	\$ -
10.937	Partnerships for Climate-Smart Commodities	Minn State	\$ 21,349	\$ -
10.937	Partnerships for Climate-Smart Commodities	Water & Soil Resources	\$ 223,691	\$ 55,418
	Program 10.937 Total:		\$ 245,040	\$ 55,418
	U.S. Department of Agriculture Total:		\$ 1,648,881,177	\$ 572,768,118
U.S. Department of Commerce				
Economic Development Cluster				
11.300	Investments for Public Works and Economic Development Facilities	Minn State	\$ 1,940	\$ -
11.307	Economic Adjustment Assistance	DEED	\$ 346,493	\$ 346,493
11.307	Economic Adjustment Assistance	Minn State	\$ 1,594,734	\$ -
11.307	COVID-19-Economic Adjustment Assistance	DEED	\$ 1,002,156	\$ -
	Program 11.307 Total:		\$ 2,943,383	\$ 346,493
	Economic Development Cluster Total:		\$ 2,945,323	\$ 346,493
11.032	State Digital Equity Planning and Capacity Grant	DEED	\$ 93,704	\$ -
11.035	Broadband Equity, Access, and Deployment Program	DEED	\$ 2,651,922	\$ -
11.407	Interjurisdictional Fisheries Act of 1986	Natural Resources	\$ 23,597	\$ 23,597
11.419	Coastal Zone Management Administration Awards	Natural Resources	\$ 1,090,504	\$ 398,994
11.473	Office for Coastal Management	Natural Resources	\$ 103,820	\$ 85,984
	U.S. Department of Commerce Total:		\$ 6,908,870	\$ 855,068
U.S. Department of Defense				
12.002	Procurement Technical Assistance for Business Firms	Administration	\$ 728,013	\$ -
12.006	National Defense Education Program	Minn State	\$ 207,220	\$ -
12.021	Army National Guard Army Compatible Use Buffer Program	Water & Soil Resources	\$ 1,387,778	\$ -
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Pollution Control Agency	\$ 99,862	\$ -
12.400	Military Construction, National Guard	Military Affairs	\$ 19,430,461	\$ -
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Affairs	\$ 85,258,928	\$ -
12.404	National Guard Challenge Program	Military Affairs	\$ 1,549,893	\$ 1,549,893
12.431	Basic Scientific Research	Minn State	\$ 90,904	\$ -
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Minn State	\$ 166,995	\$ -
12.902	Information Security Grants	Minn State	\$ 144,908	\$ -
12.903	GenCyber Grants Program	Minn State	\$ 78,443	\$ -
12.905	CyberSecurity Core Curriculum	Minn State	\$ 1,243,185	\$ -
	U.S. Department of Defense Total:		\$ 110,386,590	\$ 1,549,893
U.S. Department of Housing and Urban Development				
Community Development Block Grants - Entitlement/Special Purpose Grants Cluster				
14.218	Community Development Block Grants/Entitlement Grants	Minn State	\$ 9,996	\$ -
	Community Development Block Grants - Entitlement/Special Purpose Grants Cluster Total:		\$ 9,996	\$ -
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	DEED	\$ 21,099,721	\$ 20,475,665
14.231	Emergency Solutions Grant Program	Human Services	\$ 2,530,606	\$ 2,285,284
14.900	Lead Hazard Reduction Grant Program	Health	\$ 822,548	\$ 226,369
	U.S. Department of Housing and Urban Development Total:		\$ 24,462,871	\$ 22,987,318

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of the Interior				
Fish and Wildlife Cluster				
15.605	Sport Fish Restoration	Natural Resources	\$ 14,756,252	\$ -
15.611	Wildlife Restoration and Basic Hunter Education and Safety	Natural Resources	\$ 34,286,605	\$ -
15.626	Enhanced Hunter Education and Safety	Natural Resources	\$ 207,266	\$ -
	Fish and Wildlife Cluster Total:		\$ 49,250,123	\$ -
15.073	Earth Mapping Resources Initiative			
15.073	<i>Pass-Through from the Regents of the University of Minnesota (G23AC00058-00 Sub:A00997001)</i>	Natural Resources	\$ 56,820	\$ 56,820
15.605	R&D-Sport Fish Restoration	Natural Resources	\$ 50,000	\$ -
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species	Minn State	\$ 8,843	\$ -
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species	Natural Resources	\$ 262,785	\$ 30,130
	Program 15.608 Total:		\$ 271,628	\$ 30,130
15.611	R&D-Wildlife Restoration and Basic Hunter Education and Safety	Natural Resources	\$ 1,269,817	\$ -
15.615	Cooperative Endangered Species Conservation Fund	Natural Resources	\$ 199,543	\$ -
15.634	State Wildlife Grants	Minn State	\$ 6,676	\$ -
15.634	State Wildlife Grants	Natural Resources	\$ 1,884,967	\$ 250,151
	Program 15.634 Total:		\$ 1,891,643	\$ 250,151
15.654	National Wildlife Refuge System Enhancements	Natural Resources	\$ 99,269	\$ -
15.657	Endangered Species Recovery Implementation	MN Zoological Board	\$ 42,184	\$ -
15.658	Natural Resource Damage Assessment and Restoration	Natural Resources	\$ 1,170,966	\$ 1,000,000
15.658	Natural Resource Damage Assessment and Restoration	Pollution Control Agency	\$ 10,912	\$ -
	Program 15.658 Total:		\$ 1,181,878	\$ 1,000,000
15.662	Great Lakes Restoration	MN Zoological Board	\$ 202,105	\$ -
15.662	Great Lakes Restoration	Natural Resources	\$ 659,807	\$ -
	Program 15.662 Total:		\$ 861,912	\$ -
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention	Agriculture	\$ 49,015	\$ -
15.669	Collaborative Landscape Conservation	Natural Resources	\$ 1,400	\$ -
15.669	<i>Pass-Through from the National Fish and Wildlife Foundation (77414)</i>	Natural Resources	\$ 143,734	\$ -
15.669	<i>Pass-Through from the National Fish and Wildlife Foundation (79503)</i>	Natural Resources	\$ 53,375	\$ -
	Program 15.669 Total:		\$ 198,509	\$ -
15.684	White-nose Syndrome National Response Implementation	Natural Resources	\$ 43,577	\$ -
15.904	Historic Preservation Fund Grants-In-Aid	Administration	\$ 1,174,194	\$ 17,796
15.916	Outdoor Recreation Acquisition, Development and Planning	Natural Resources	\$ 9,634,319	\$ 9,540,558
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	Natural Resources	\$ 1,066,559	\$ -
15.980	National Ground-Water Monitoring Network	Pollution Control Agency	\$ 45,844	\$ -
	U.S. Department of the Interior Total:		\$ 67,386,834	\$ 10,895,455
U.S. Department of Justice				
16.017	Sexual Assault Services Formula Program	Public Safety	\$ 881,762	\$ 873,470
16.021	Justice Systems Response to Families	Trial Courts	\$ 188,118	\$ -
16.036	Comprehensive Forensic DNA Analysis Grant Program	Public Safety	\$ 157,326	\$ -
16.043	Veterans Treatment Court Discretionary Grant Program	Trial Courts	\$ 162,977	\$ -
16.320	Services for Trafficking Victims	Health	\$ 532,353	\$ 192,157
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	Minn State	\$ 52,924	\$ -
16.540	Juvenile Justice and Delinquency Prevention	Public Safety	\$ 628,157	\$ 431,947
16.543	Missing Children's Assistance	Public Safety	\$ 285,413	\$ -
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	\$ 2,756,936	\$ -
16.575	Crime Victim Assistance	Public Safety	\$ 18,243,714	\$ 17,019,786
16.576	Crime Victim Compensation	Public Safety	\$ 1,009,049	\$ -
16.585	Treatment Court Discretionary Grant Program	Supreme Court	\$ 541,953	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
16.585	Treatment Court Discretionary Grant Program	Trial Courts	\$ 355,321	\$ -
	Program 16.585 Total:		\$ 897,274	\$ -
16.588	Violence Against Women Formula Grants	Public Safety	\$ 1,992,205	\$ 1,802,257
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	Trial Courts	\$ 46,893	\$ -
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	\$ 446,266	\$ -
16.606	State Criminal Alien Assistance Program	Corrections	\$ 423,239	\$ -
16.609	Project Safe Neighborhoods	Public Safety	\$ 364,856	\$ 293,200
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	\$ 933,583	\$ -
16.735	PREA Program: Strategic Support for PREA Implementation	Public Safety	\$ 6,970	\$ -
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	\$ 2,235,663	\$ 2,042,847
16.741	DNA Backlog Reduction Program	Public Safety	\$ 700,705	\$ -
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Public Safety	\$ 220,841	\$ 85,810
16.753	Congressionally Recommended Awards	Minn State	\$ 491,058	\$ -
16.754	Harold Rogers Prescription Drug Monitoring Program	Pharmacy Board	\$ 758,720	\$ -
16.827	Justice Reinvestment Initiative	Minn State	\$ 23,589	\$ -
16.831	Children of Incarcerated Parents	Health	\$ 156,724	\$ 97,815
16.833	National Sexual Assault Kit Initiative	Public Safety	\$ 214,921	\$ -
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	Health	\$ 2,386,654	\$ 1,762,719
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	Public Safety	\$ 508,188	\$ 323,773
	Program 16.838 Total:		\$ 2,894,842	\$ 2,086,492
16.839	STOP School Violence	Education	\$ 240,204	\$ 87,306
	U.S. Department of Justice Total:		\$ 37,947,282	\$ 25,013,087
U.S. Department of Labor				
WIOA Cluster				
17.258	WIOA Adult Program	DEED	\$ 7,706,400	\$ 6,486,666
17.258	WIOA Adult Program	Minn State	\$ 411,449	\$ -
	Program 17.258 Total:		\$ 8,117,849	\$ 6,486,666
17.259	WIOA Youth Activities	DEED	\$ 9,054,126	\$ 7,663,314
17.278	WIOA Dislocated Worker Formula Grants	DEED	\$ 9,624,628	\$ 6,801,656
	WIOA Cluster Total:		\$ 26,796,603	\$ 20,951,636
Employment Service Cluster				
17.207	Employment Service/Wagner-Peyser Funded Activities	DEED	\$ 21,239,127	\$ 429,654
17.801	Jobs for Veterans State Grants	DEED	\$ 2,966,570	\$ 130
	Employment Service Cluster Total:		\$ 24,205,697	\$ 429,784
17.002	Labor Force Statistics	DEED	\$ 1,616,823	\$ -
17.005	Compensation and Working Conditions	Labor and Industry	\$ 151,815	\$ -
17.225	Unemployment Insurance (5)	DEED	\$ 1,390,394,968	\$ -
17.225	ARRA-Unemployment Insurance (5)	DEED	\$ 91,070	\$ -
17.225	COVID-19-Unemployment Insurance (5)	DEED	\$ 550,163	\$ -
	Program 17.225 Total:		\$ 1,391,036,201	\$ -
17.235	Senior Community Service Employment Program	DEED	\$ 1,973,026	\$ 1,932,417
17.245	Trade Adjustment Assistance	DEED	\$ 1,094,323	\$ -
17.261	Workforce Data Quality Initiative (WDQI)	Minn State	\$ 2,318,774	\$ -
17.270	Reentry Employment Opportunities	DEED	\$ 7,736,496	\$ 40,279
17.271	Work Opportunity Tax Credit Program (WOTC)	DEED	\$ 360,563	\$ -
17.273	Temporary Labor Certification for Foreign Workers	DEED	\$ 220,031	\$ -
17.281	WIOA Dislocated Worker National Reserve Technical Assistance and Training	DEED	\$ 307,665	\$ -
17.285	Registered Apprenticeship	Labor and Industry	\$ 1,051,587	\$ 68,657
17.503	Occupational Safety and Health State Program	Labor and Industry	\$ 3,680,482	\$ -
17.504	Consultation Agreements	Labor and Industry	\$ 1,017,431	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
17.600	Mine Health and Safety Grants	Minn State	\$ 413,794	\$ -
U.S. Department of Labor Total:			\$ 1,463,981,311	\$ 23,422,773
U.S. Department of State				
19.009	Academic Exchange Programs - Undergraduate Programs	Minn State	\$ 819	\$ -
19.040	Public Diplomacy Programs	Minn State	\$ 18,950	\$ -
19.345	International Programs to Support Democracy, Human Rights and Labor	Minn State	\$ 205,006	\$ -
U.S. Department of State Total:			\$ 224,775	\$ -
U.S. Department of Transportation				
Transit Services Programs Cluster				
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Transportation	\$ 5,692,537	\$ 5,332,442
Transit Services Programs Cluster Total:			\$ 5,692,537	\$ 5,332,442
Highway Safety Cluster				
20.600	State and Community Highway Safety	Public Safety	\$ 8,079,149	\$ 3,587,112
20.616	National Priority Safety Programs	Public Safety	\$ 7,274,392	\$ 844,554
Highway Safety Cluster Total:			\$ 15,353,541	\$ 4,431,666
Federal Transit Cluster				
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Transportation	\$ 4,593,147	\$ 4,555,613
Federal Transit Cluster Total:			\$ 4,593,147	\$ 4,555,613
Federal Motor Carrier Safety Assistance (FMCSA) Cluster				
20.218	Motor Carrier Safety Assistance	Public Safety	\$ 2,958,547	\$ -
Federal Motor Carrier Safety Assistance (FMCSA) Cluster Total:			\$ 2,958,547	\$ -
20.200	Highway Research and Development Program	IRRR	\$ 795,656	\$ -
20.200	R&D-Highway Research and Development Program	Transportation	\$ 6,035,658	\$ -
20.205	R&D-Highway Planning and Construction	Transportation	\$ 6,144,611	\$ -
20.205	Highway Planning and Construction	Minn State	\$ 76,676	\$ -
20.205	Highway Planning and Construction	Transportation	\$ 1,125,115,221	\$ 294,717,435
Program 20.205 Total:			\$ 1,125,191,897	\$ 294,717,435
20.215	Highway Training and Education	Transportation	\$ 1,797,910	\$ 953,605
20.215	R&D-Highway Training and Education	Transportation	\$ 225,000	\$ -
20.219	Recreational Trails Program	Natural Resources	\$ 2,664,798	\$ 2,076,940
20.224	Federal Lands Access Program	Transportation	\$ 1,869,748	\$ 1,869,748
20.232	Commercial Driver's License Program Implementation Grant	Public Safety	\$ 83,504	\$ -
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Transportation	\$ 440,675	\$ -
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Transportation	\$ 33,488,724	\$ 30,727,209
20.509	COVID-19-Formula Grants for Rural Areas and Tribal Transit Program	Transportation	\$ 395,068	\$ 395,068
Program 20.509 Total:			\$ 33,883,792	\$ 31,122,277
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	Public Safety	\$ 338,437	\$ -
20.530	Public Transportation Innovation	Transportation	\$ 202,621	\$ -
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Public Safety	\$ 7,178,858	\$ 4,317,229
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	Public Safety	\$ 99,992	\$ -
20.700	Pipeline Safety Program State Base Grant	Public Safety	\$ 3,441,477	\$ -
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Public Safety	\$ 369,998	\$ 246,747
20.720	State Damage Prevention Program Grants	Public Safety	\$ 122,522	\$ -
20.721	PHMSA Pipeline Safety Program One Call Grant	Public Safety	\$ 26,163	\$ -
20.725	PHMSA Pipeline Safety Underground Natural Gas Storage Grant	Public Safety	\$ 299,682	\$ -
20.933	National Infrastructure Investments	Transportation	\$ 268,142	\$ 268,142
U.S. Department of Transportation Total:			\$ 1,220,078,913	\$ 349,891,844

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of the Treasury				
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds	MN Management & Budget	\$ 19,790,531	\$ -
21.029	COVID-19-Coronavirus Capital Projects Fund	DEED	\$ 50,616,280	\$ 49,816,905
21.029	COVID-19-Coronavirus Capital Projects Fund	Education	\$ 170,389	\$ -
	Program 21.029 Total:		\$ 50,786,669	\$ 49,816,905
	U.S. Department of the Treasury Total:		\$ 70,577,200	\$ 49,816,905
Federal Financial Institutions Examination Council				
38.006	State Appraiser Agency Support Grants	Commerce	\$ 500	\$ -
	Federal Financial Institutions Examination Council Total:		\$ 500	\$ -
U.S. General Services Administration				
39.003	Donation of Federal Surplus Personal Property	Administration	\$ 397,392	\$ -
	U.S. General Services Administration Total:		\$ 397,392	\$ -
U.S. National Aeronautics and Space Administration				
43.001	Science	Minn State	\$ 60,070	\$ -
43.001	<i>Pass-Through from the University of Minnesota (80NSSC20M0111)</i>	Minn State	\$ 3,151	\$ -
43.001	<i>Pass-Through from the University of Minnesota (830NSSC20M0111)</i>	Minn State	\$ 18,077	\$ -
	Program 43.001 Total:		\$ 81,298	\$ -
43.002	Aeronautics	Minn State	\$ 23,381	\$ -
43.008	Office of Stem Engagement (OSTEM)	Minn State	\$ 19,930	\$ -
	U.S. National Aeronautics and Space Administration Total:		\$ 124,609	\$ -
U.S. National Foundation on the Arts and the Humanities				
45.025	Promotion of the Arts Partnership Agreements	Arts Board	\$ 944,709	\$ 24,953
45.310	Grants to States	Education	\$ 3,334,083	\$ 2,032,386
	U.S. National Foundation on the Arts and the Humanities Total:		\$ 4,278,792	\$ 2,057,339
U.S. National Science Foundation				
47.041	R&D-Engineering	Minn State	\$ 13,809	\$ -
47.049	R&D-Mathematical and Physical Sciences	Minn State	\$ 141,155	\$ -
47.050	R&D-Geosciences	Minn State	\$ 175,257	\$ -
47.074	R&D-Biological Sciences	Minn State	\$ 102,735	\$ -
47.075	R&D-Social, Behavioral, and Economic Sciences	Minn State	\$ 3,392	\$ -
47.076	R&D-STEM Education (formerly Education and Human Resources)	Minn State	\$ 5,114,898	\$ -
47.076	<i>Pass-Through from the University of Minnesota (2409134)</i>	Minn State	\$ 27,653	\$ -
47.076	<i>Pass-Through from the University of Minnesota (KABJZBBJ4B54)</i>	Minn State	\$ 3,263	\$ -
47.076	<i>Pass-Through from the University of Minnesota (1712619)</i>	Minn State	\$ 3,632	\$ -
47.076	<i>Pass-Through from the University of Minnesota (SUBA00000673-A011255911)</i>	Minn State	\$ 2,800	\$ -
47.076	<i>Pass-Through from the University of Minnesota (1831944)</i>	Minn State	\$ 20,585	\$ -
	Program 47.076 Total:		\$ 5,172,831	\$ -
47.083	R&D-Integrative Activities	Minn State	\$ 66,311	\$ -
47.084	R&D-NSF Technology, Innovation, and Partnerships	Minn State	\$ 47,042	\$ -
	U.S. National Science Foundation Total:		\$ 5,722,532	\$ -
U.S. Office of the Director of National Intelligence				
54.001	Intelligence Community Centers for Academic Excellence	Minn State	\$ 93,453	\$ -
	U.S. Office of the Director of National Intelligence Total:		\$ 93,453	\$ -
U.S. Small Business Administration				
59.037	Small Business Development Centers	DEED	\$ 2,257,461	\$ 2,257,461
59.037	Small Business Development Centers	Minn State	\$ 360,454	\$ -
	Program 59.037 Total:		\$ 2,617,915	\$ 2,257,461
59.059	Congressional Grants	Minn State	\$ 147,384	\$ -
59.077	Community Navigator Pilot Program	Minn State	\$ 123	\$ -
	U.S. Small Business Administration Total:		\$ 2,765,422	\$ 2,257,461

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Veterans Affairs				
64.005	Grants to States for Construction of State Home Facilities	Veterans Affairs	\$ 1,610,683	\$ -
64.027	Post-9/11 Veterans Educational Assistance	Minn State	\$ 211,025	\$ -
64.028	Post-9/11 Veterans Educational Assistance	Minn State	\$ 100,470	\$ -
64.203	Veterans Cemetery Grants Program	Veterans Affairs	\$ 1,116,657	\$ -
	U.S. Department of Veterans Affairs Total:		\$ 3,038,835	\$ -
U.S. Environmental Protection Agency				
66.032	State and Tribal Indoor Radon Grants	Health	\$ 435,457	\$ -
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Pollution Control Agency	\$ 1,435,511	\$ -
66.040	Diesel Emissions Reduction Act (DERA) State Grants	Pollution Control Agency	\$ 591,081	\$ -
66.046	Climate Pollution Reduction Grants	Pollution Control Agency	\$ 1,601,236	\$ 129,263
66.049	Clean Heavy-Duty Vehicles Program	Pollution Control Agency	\$ 9,078	\$ -
66.312	Environmental Justice Government-to-Government (EJG2G) Program	Commerce	\$ 7,877	\$ 7,556
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Health	\$ 66,593	\$ -
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Pollution Control Agency	\$ 231,005	\$ -
	Program 66.419 Total:		\$ 297,598	\$ -
66.432	State Public Water System Supervision	Health	\$ 1,264,836	\$ 609
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	Health	\$ 4,416,827	\$ 4,416,827
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	Health	\$ 694,217	\$ -
66.447	Sewer Overflow and Stormwater Reuse Municipal Grant Program	Pollution Control Agency	\$ 298,441	\$ 298,441
66.454	Water Quality Management Planning	Pollution Control Agency	\$ 492,804	\$ -
66.460	Nonpoint Source Implementation Grants	Pollution Control Agency	\$ 2,583,259	\$ 2,573,068
66.469	Geographic Programs - Great Lakes Restoration Initiative	Agriculture	\$ 36,718	\$ 29,095
66.469	Geographic Programs - Great Lakes Restoration Initiative	Health	\$ 83,647	\$ -
66.469	Geographic Programs - Great Lakes Restoration Initiative	Natural Resources	\$ 1,240,588	\$ 209,750
66.469	Geographic Programs - Great Lakes Restoration Initiative	Pollution Control Agency	\$ 1,413,859	\$ 535,216
	Program 66.469 Total:		\$ 2,774,812	\$ 774,061
66.472	Beach Monitoring and Notification Program Implementation Grants	Health	\$ 252,188	\$ -
66.485	Support for the Gulf Hypoxia Action Plan	Pollution Control Agency	\$ 659,034	\$ -
66.605	Performance Partnership Grants	Agriculture	\$ 766,762	\$ -
66.605	Performance Partnership Grants	Health	\$ 689,916	\$ -
66.605	Performance Partnership Grants	Pollution Control Agency	\$ 9,582,052	\$ 85,452
	Program 66.605 Total:		\$ 11,038,730	\$ 85,452
66.708	Pollution Prevention Grants Program	Pollution Control Agency	\$ 264,003	\$ 238,721
66.708	<i>Pass-Through from the University of Minnesota (Healthy Nail Salon)</i>	Health	\$ 25,001	\$ -
	Program 66.708 Total:		\$ 289,004	\$ 238,721
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	Pollution Control Agency	\$ 640,975	\$ -
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	Pollution Control Agency	\$ 476,110	\$ -
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Pollution Control Agency	\$ 965,377	\$ -
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Pollution Control Agency	\$ 101,773	\$ -
66.817	State and Tribal Response Program Grants	Pollution Control Agency	\$ 1,674,876	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	Pollution Control Agency	\$ 240,514	\$ -
66.920	Solid Waste Infrastructure for Recycling Infrastructure Grants	Pollution Control Agency	\$ 19,380	\$ -
66.951	Environmental Education Grants Program	Minn State	\$ 42,184	\$ -
66.959	Greenhouse Gas Reduction Fund: Solar for All	Commerce	\$ 65,159	\$ -
U.S. Environmental Protection Agency Total:			\$ 33,368,338	\$ 8,523,998
U.S. Department of Energy				
81.041	State Energy Program	Commerce	\$ 3,908,341	\$ 440,899
81.042	Weatherization Assistance for Low-Income Persons	Commerce	\$ 24,905,787	\$ 20,962,684
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	Commerce	\$ 371,467	\$ 235,167
81.138	State Heating Oil and Propane Program	Commerce	\$ 25,527	\$ -
81.254	Grid Infrastructure Deployment and Resilience	Commerce	\$ 316,881	\$ 4,775
U.S. Department of Energy Total:			\$ 29,528,003	\$ 21,643,525
U.S. Department of Education				
TRIO Cluster				
84.042	TRIO Student Support Services	Minn State	\$ 11,845,722	\$ -
84.044	TRIO Talent Search	Minn State	\$ 848,773	\$ -
84.047	TRIO Upward Bound	Minn State	\$ 8,229,789	\$ -
84.066	TRIO Educational Opportunity Centers	Minn State	\$ 939,641	\$ -
84.217	TRIO McNair Post-Baccalaureate Achievement	Minn State	\$ 254,597	\$ -
TRIO Cluster Total:			\$ 22,118,522	\$ -
Student Financial Assistance Cluster				
84.007	Federal Supplemental Educational Opportunity Grants	Minn State	\$ 6,982,823	\$ -
84.033	Federal Work-Study Program	Minn State	\$ 6,328,812	\$ -
84.038	Federal Perkins Loan Program Federal Capital Contributions (2)	Minn State	\$ 3,012,319	\$ -
84.063	Federal Pell Grant Program	Minn State	\$ 269,172,775	\$ -
84.268	Federal Direct Student Loans (3)	Minn State	\$ 296,381,328	\$ -
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	Minn State	\$ 387,481	\$ -
Special Education (IDEA) Cluster				
84.027	Special Education Grants to States	Education	\$ 234,067,365	\$ 213,140,849
84.173	Special Education Preschool Grants	Education	\$ 8,274,117	\$ 7,522,634
Special Education (IDEA) Cluster Total:			\$ 242,341,482	\$ 220,663,483
84.002	Adult Education - Basic Grants to States	Education	\$ 8,074,273	\$ 6,498,905
84.010	Title I Grants to Local Educational Agencies	Education	\$ 185,626,120	\$ 184,069,326
84.011	Migrant Education State Grant Program	Education	\$ 1,896,876	\$ 1,513,795
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Education	\$ 527,591	\$ -
84.021	Overseas Programs - Group Projects Abroad	Minn State	\$ 1,492	\$ -
84.031	Higher Education Institutional Aid	Minn State	\$ 3,584,958	\$ -
84.048	Career and Technical Education -- Basic Grants to States	Minn State	\$ 21,388,567	\$ 9,159,147
84.116	Fund for the Improvement of Postsecondary Education	Minn State	\$ 4,737,765	\$ -
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	DEED	\$ 87,363,996	\$ -
84.129	Rehabilitation Long-Term Training	Minn State	\$ 75,321	\$ -
84.144	Migrant Education Coordination Program	Education	\$ 71,411	\$ -
84.169	Independent Living State Grants	DEED	\$ 13,905	\$ -
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	DEED	\$ 1,510,938	\$ -
84.181	Special Education-Grants for Infants and Families	Education	\$ 8,548,397	\$ 7,117,717
84.184	School Safely National Activities	Education	\$ 58,121	\$ -
84.184	School Safely National Activities	Minn State	\$ 1,132,129	\$ -
Program 84.184 Total:			\$ 1,190,250	\$ -
84.196	Education for Homeless Children and Youth	Education	\$ 1,257,944	\$ 891,685

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or Pass-Through Entity (Identifying Number)	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
84.206	Javits Gifted and Talented Students Education	Education	\$ 191,515	\$ 147,583
84.282	Charter Schools	Education	\$ 779,889	\$ 483,200
84.287	Twenty-First Century Community Learning Centers	Education	\$ 14,411,061	\$ 13,636,952
84.299	Indian Education -- Special Programs for Indian Children	Minn State	\$ 50,670	\$ -
84.323	Special Education - State Personnel Development	Education	\$ 1,081,605	\$ 763,542
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Minn State	\$ 489,856	\$ -
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Education	\$ 180,424	\$ 180,424
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Minn State	\$ 1,500	\$ -
84.335	Child Care Access Means Parents In School	Minn State	\$ 541,381	\$ -
84.351	Arts In Education	Education	\$ 1,359,771	\$ -
84.358	Rural Education	Education	\$ 99,707	\$ 93,693
84.365	English Language Acquisition State Grants	Education	\$ 12,076,653	\$ 11,519,440
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education	\$ 26,446,790	\$ 24,568,553
84.368	Competitive Grants for State Assessments	Education	\$ 61,777	\$ -
84.369	Grants for State Assessments and Related Activities	Education	\$ 5,461,086	\$ -
84.371	Comprehensive Literacy Development	Education	\$ 3,314,155	\$ 3,015,486
84.372	Statewide Longitudinal Data Systems	Education	\$ 626,203	\$ -
84.382	Strengthening Minority-Serving Institutions	Minn State	\$ 336,470	\$ -
84.421	Disability Innovation Fund (DIF)	DEED	\$ 3,584,639	\$ 93,696
84.422	American History and Civics Education	Minn State	\$ 51,320	\$ -
84.424	Student Support and Academic Enrichment Program	Education	\$ 18,755,887	\$ 17,972,089
COVID-19-Education Stabilization Fund				
84.425F	COVID-19-HEERF Institutional Aid	Minn State	\$ 2,112,881	\$ -
84.425U	COVID-19-American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	Education	\$ 88,128,381	\$ 83,202,761
84.425V	COVID-19-American Rescue Plan-Emergency Assistance to Non-Public Schools (ARP EANS) program	Education	\$ 1,829,236	\$ -
84.425W	COVID-19-American Rescue Plan-Elementary and Secondary School Emergency Relief-Homeless Children and Youth	Education	\$ 1,667,317	\$ 1,466,103
Program 84.425 Total:			\$ 93,737,815	\$ 84,668,864
U.S. Department of Education Total:			\$ 1,356,235,520	\$ 587,057,580
U.S. Election Assistance Commission				
90.404	HAVA Election Security Grants	Secretary of State	\$ 2,712,756	\$ -
U.S. Election Assistance Commission Total:			\$ 2,712,756	\$ -
U.S. Department of Health and Human Services				
Student Financial Assistance Cluster				
93.364	Nursing Student Loans (2)	Minn State	\$ 7,734	\$ -
Medicaid Cluster				
93.775	State Medicaid Fraud Control Units	Attorney General	\$ 2,879,424	\$ -
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health	\$ 10,633,300	\$ -
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Human Services	\$ 7,701,249	\$ -
Program 93.777 Total:			\$ 18,334,549	\$ -
93.778	Grants to States for Medicaid (4)	Human Services	\$ 12,254,700,636	\$ 302,528,420
Medicaid Cluster Total:			\$ 12,275,914,609	\$ 302,528,420
Head Start Cluster				
93.600	Head Start	Education	\$ 118,410	\$ -
93.600	Head Start	Minn State	\$ 659,326	\$ -
Program 93.600 Total:			\$ 777,736	\$ -
Head Start Cluster Total:			\$ 777,736	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
Child Care and Development Fund (CCDF) Cluster				
93.575	Child Care and Development Block Grant	Human Services	\$ 155,621,056	\$ 43,124,595
93.575	COVID-19-Child Care and Development Block Grant	Human Services	\$ 6,685,531	\$ -
	Program 93.575 Total:		\$ 162,306,587	\$ 43,124,595
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	\$ 111,959,933	\$ -
	Child Care and Development Fund (CCDF) Cluster Total:		\$ 274,266,520	\$ 43,124,595
Aging Cluster				
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	\$ 7,560,633	\$ 6,339,160
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Minn State	\$ 16,736	\$ -
93.044	COVID-19-Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	\$ 1,280,723	\$ 1,228,181
	Program 93.044 Total:		\$ 8,858,092	\$ 7,567,341
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	\$ 15,381,662	\$ 14,670,402
93.045	COVID-19-Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	\$ 1,424,796	\$ 1,386,315
	Program 93.045 Total:		\$ 16,806,458	\$ 16,056,717
93.053	Nutrition Services Incentive Program	Human Services	\$ 1,210,763	\$ 1,210,763
	Aging Cluster Total:		\$ 26,875,313	\$ 24,834,821
93.008	Medical Reserve Corps Small Grant Program	Health	\$ 1,636,186	\$ 989,460
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	\$ 53,254	\$ -
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	Human Services	\$ 633,840	\$ -
93.042	COVID-19-Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	Human Services	\$ 1,134	\$ -
	Program 93.042 Total:		\$ 634,974	\$ -
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Human Services	\$ 382,282	\$ 358,544
93.043	COVID-19-Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Human Services	\$ 158,134	\$ 145,721
	Program 93.043 Total:		\$ 540,416	\$ 504,265
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	Human Services	\$ 593,748	\$ 331,763
93.052	National Family Caregiver Support, Title III, Part E	Human Services	\$ 3,295,778	\$ 3,149,011
93.052	COVID-19-National Family Caregiver Support, Title III, Part E	Human Services	\$ 406,983	\$ 329,230
	Program 93.052 Total:		\$ 3,702,761	\$ 3,478,241
93.069	Public Health Emergency Preparedness	Health	\$ 10,710,319	\$ 4,926,656
93.070	Environmental Public Health and Emergency Response	Health	\$ 2,588,065	\$ 34,646
93.071	Medicare Enrollment Assistance Program	Human Services	\$ 936,685	\$ 840,549
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	Health	\$ 1,267,288	\$ -
93.080	Blood Disorder Program: Prevention, Surveillance, and Research	Health	\$ 222,024	\$ 68,593
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	Health	\$ 2,245,309	\$ -
93.084	<i>Pass-Through from the Massachusetts General Hospital (229507)</i>	Health	\$ 49,998	\$ -
	Program 93.084 Total:		\$ 2,295,307	\$ -
93.088	Advancing System Improvements for Key Issues in Women's Health	Health	\$ 332,892	\$ 43,384
93.090	Guardianship Assistance	Human Services	\$ 22,991,882	\$ 6,556
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health	\$ 807,120	\$ 535,685
93.103	Food and Drug Administration Research	Health	\$ 133,679	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.103	<i>Pass-Through from the National Environmental Health Association (Unknown)</i>	Agriculture	\$ 125,611	\$ -
93.103	<i>Pass-Through from the Association of Food and Drug Officials (Unknown)</i>	Agriculture	\$ 40,750	\$ -
93.103	<i>Pass-Through from the National Environmental Health Association (Standard 6)</i>	Health	\$ 8,422	\$ -
93.103	<i>Pass-Through from the National Environmental Health Association (Standard & Communication)</i>	Health	\$ 30,588	\$ -
	Program 93.103 Total:		\$ 339,050	\$ -
93.103	R&D-Food and Drug Administration Research	Agriculture	\$ 2,221,763	\$ 2,620
93.110	Special Projects of Regional and National Significance	Health	\$ 1,714,062	\$ 611,280
93.110	COVID-19-Special Projects of Regional and National Significance	Health	\$ 798,404	\$ 627,398
	Program 93.110 Total:		\$ 2,512,466	\$ 1,238,678
93.113	R&D-Environmental Health			
93.113	<i>Pass-Through from the University of Minnesota (HHEAR)</i>	Health	\$ 173,917	\$ -
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	\$ 1,964,237	\$ 603,797
93.127	Emergency Medical Services for Children	Emergency Med. Services	\$ 151,063	\$ 151,063
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health	\$ 341,086	\$ -
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	\$ 4,900,140	\$ 1,729,204
93.136	<i>Pass-Through from the University of New Hampshire (PZL0277)</i>	Health	\$ 26,017	\$ -
	Program 93.136 Total:		\$ 4,926,157	\$ 1,729,204
93.137	Community Programs to Improve Minority Health	Health	\$ 431,934	\$ 235,424
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Human Services	\$ 836,811	\$ 788,387
93.165	Grants to States for Loan Repayment	Health	\$ 604,902	\$ -
93.178	Nursing Workforce Diversity	Minn State	\$ 452,540	\$ -
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	\$ 431,874	\$ -
93.234	Traumatic Brain Injury State Demonstration Grant Program	Human Services	\$ 210,508	\$ 20,000
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	Health	\$ 623,364	\$ 407,291
93.236	Grants to States to Support Oral Health Workforce Activities	Health	\$ 364,671	\$ 5,000
93.240	State Capacity Building	Health	\$ 342,753	\$ -
93.241	State Rural Hospital Flexibility Program	Health	\$ 1,123,963	\$ 613,200
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Education	\$ 3,463,557	\$ 52,759
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Health	\$ 4,921,196	\$ 1,330,208
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Human Services	\$ 1,834,933	\$ 1,801,145
	Program 93.243 Total:		\$ 10,219,686	\$ 3,184,112
93.251	Early Hearing Detection and Intervention	Health	\$ 275,251	\$ 68,146
93.262	Occupational Safety and Health Program	Health	\$ 156,573	\$ -
93.262	<i>Pass-Through from the University of Minnesota (2U54OH010170-06)</i>	Health	\$ 12,169	\$ -
	Program 93.262 Total:		\$ 168,742	\$ -
93.268	Immunization Cooperative Agreements	Health	\$ 87,281,614	\$ 1,024,829
93.268	COVID-19-Immunization Cooperative Agreements	Health	\$ 16,933,578	\$ 4,248,978
	Program 93.268 Total:		\$ 104,215,192	\$ 5,273,807
93.270	Viral Hepatitis Prevention and Control	Health	\$ 188,057	\$ 51,224
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Health	\$ 1,348,264	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.301	Small Rural Hospital Improvement Grant Program	Health	\$ 793,076	\$ 587,410
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	Health	\$ 159,999	\$ 10,456
93.317	Emerging Infections Programs	Health	\$ 2,764,334	\$ 42,692
93.322	CDC Partnership: Strengthening Public Health Laboratories			
93.322	<i>Pass-Through from the Association of Public Health Laboratories (Strengthening PH Labs)</i>	Health	\$ 64,190	\$ -
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	\$ 9,175,077	\$ -
93.323	COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	\$ 61,027,527	\$ 4,978,307
	Program 93.323 Total:		\$ 70,202,604	\$ 4,978,307
93.324	State Health Insurance Assistance Program	Human Services	\$ 688,888	\$ 350,217
93.324	COVID-19-State Health Insurance Assistance Program	Human Services	\$ 6,974	\$ 6,974
	Program 93.324 Total:		\$ 695,862	\$ 357,191
93.334	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	Health	\$ 400,663	\$ 30,470
93.336	Behavioral Risk Factor Surveillance System	Health	\$ 35,845	\$ -
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Health	\$ 516,965	\$ 323,300
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Minn State	\$ 125	\$ -
93.354	COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Health	\$ 3,635,230	\$ 460,449
	Program 93.354 Total:		\$ 4,152,320	\$ 783,749
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	Health	\$ 292,458	\$ 2,985
93.369	ACL Independent Living State Grants	DEED	\$ 1,503,931	\$ 1,415,700
93.387	National and State Tobacco Control Program	Health	\$ 1,854,237	\$ 90,712
93.391	COVID-19-Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Health	\$ 3,339,396	\$ 1,575,329
93.413	The State Flexibility to Stabilize the Market Grant Program	Commerce	\$ 266	\$ -
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health			
93.421	<i>Pass-Through from the Council of State and Territorial Epidemiologists (NU38OT000297)</i>	Health	\$ 22,611	\$ 14,219
93.421	<i>Pass-Through from the National Association of Chronic Disease Directors (240119)</i>	Health	\$ 4,393	\$ -
93.421	<i>Pass-Through from the Council of State and Territorial Epidemiologists (Public Health FHIR)</i>	Health	\$ 37,394	\$ -
93.421	COVID-19-Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health			
93.421	<i>Pass-Through from the Council of State and Territorial Epidemiologists (PO# 7463)</i>	Health	\$ 30,887	\$ -
	Program 93.421 Total:		\$ 95,285	\$ 14,219
93.423	1332 State Innovation Waivers	Commerce	\$ 129,884,177	\$ 129,884,177
93.426	The National Cardiovascular Health Program	Health	\$ 1,716,399	\$ 388,867
93.432	ACL Centers for Independent Living	DEED	\$ 1,575,965	\$ 1,562,207
93.434	Every Student Succeeds Act/Preschool Development Grants	Education	\$ 5,460,612	\$ -
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	Health	\$ 844,961	\$ 110,310

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.464	ACL Assistive Technology	Administration	\$ 669,585	\$ -
93.464	COVID-19-ACL Assistive Technology	Administration	\$ 14,000	\$ -
	Program 93.464 Total:		\$ 683,585	\$ -
93.472	Title IV-E Prevention Program	Human Services	\$ 541,620	\$ 541,620
93.493	Congressional Directives	Health	\$ 74,350	\$ 74,350
93.493	Congressional Directives	Minn State	\$ 341,335	\$ -
	Program 93.493 Total:		\$ 415,685	\$ 74,350
93.497	Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	Public Safety	\$ 1,544,095	\$ 1,533,047
93.516	Public Health Training Centers Program	Health	\$ 939,000	\$ 732,965
93.516	<i>Pass-Through from the University of Michigan (SUBK00016910)</i>	Health	\$ 24,238	\$ -
	Program 93.516 Total:		\$ 963,238	\$ 732,965
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Human Services	\$ 6,225,491	\$ 3,867,527
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Supreme Court	\$ 349,572	\$ -
	Program 93.556 Total:		\$ 6,575,063	\$ 3,867,527
93.558	Temporary Assistance for Needy Families	Human Services	\$ 211,710,632	\$ 94,508,471
93.563	Child Support Services	Human Services	\$ 139,189,416	\$ 108,510,898
93.564	Child Support Services Research	Human Services	\$ 2,212,393	\$ 249,507
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Human Services	\$ 22,991,994	\$ 13,789,709
93.568	Low-Income Home Energy Assistance	Commerce	\$ 129,265,837	\$ 125,920,200
93.569	Community Services Block Grant	Human Services	\$ 8,833,317	\$ 8,311,273
93.583	Refugee and Entrant Assistance Wilson/Fish Program	Human Services	\$ 577,741	\$ 524,716
93.586	State Court Improvement Program	Supreme Court	\$ 414,316	\$ -
93.590	Community-Based Child Abuse Prevention Grants	Human Services	\$ 2,399,765	\$ 1,526,196
93.590	COVID-19-Community-Based Child Abuse Prevention Grants	Human Services	\$ 2,291,499	\$ 1,958,472
	Program 93.590 Total:		\$ 4,691,264	\$ 3,484,668
93.595	Welfare Reform Research, Evaluations and National Studies	Human Services	\$ 34,178	\$ -
93.597	Grants to States for Access and Visitation Programs	Human Services	\$ 107,012	\$ 107,012
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	\$ 584,848	\$ 431,152
93.603	Adoption and Legal Guardianship Incentive Payments Program	Human Services	\$ 3,045,267	\$ 2,951,102
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Administration	\$ 1,132,345	\$ 533,996
93.640	Basic Health Program (Affordable Care Act)	Human Services	\$ 582,326,438	\$ -
93.643	Children's Justice Grants to States	Human Services	\$ 309,679	\$ 237,050
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Human Services	\$ 3,808,615	\$ 351,967
93.658	Foster Care Title IV-E	Human Services	\$ 84,721,234	\$ 67,675,177
93.658	Foster Care Title IV-E	Minn State	\$ 572,912	\$ -
93.658	<i>Pass-Through from the University of Minnesota (216785)</i>	Minn State	\$ 135,540	\$ -
93.658	<i>Pass-Through from the University of Minnesota (GRK 129722)</i>	Minn State	\$ 16,433	\$ -
	Program 93.658 Total:		\$ 85,446,119	\$ 67,675,177
93.659	Adoption Assistance	Human Services	\$ 64,688,151	\$ 240,266
93.659	Adoption Assistance	Minn State	\$ 71,532	\$ -
	Program 93.659 Total:		\$ 64,759,683	\$ 240,266
93.667	Social Services Block Grant	Human Services	\$ 32,032,643	\$ 30,477,244
93.669	Child Abuse and Neglect State Grants	Human Services	\$ 1,193,623	\$ 423,492
93.669	COVID-19-Child Abuse and Neglect State Grants	Human Services	\$ 594,142	\$ 77,000
	Program 93.669 Total:		\$ 1,787,765	\$ 500,492
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	Public Safety	\$ 2,931,910	\$ 2,807,869
93.671	COVID-19-Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	Public Safety	\$ 1,065,492	\$ 978,218
	Program 93.671 Total:		\$ 3,997,402	\$ 3,786,087
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	Human Services	\$ 733,413	\$ 500,000
93.732	Mental and Behavioral Health Education and Training Grants	Minn State	\$ 110,079	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.747	Elder Abuse Prevention Interventions Program	Human Services	\$ 16,851	\$ -
93.747	Elder Abuse Prevention Interventions Program	Supreme Court	\$ 297,405	\$ -
93.747	COVID-19-Elder Abuse Prevention Interventions Program	Human Services	\$ 1,822,207	\$ 1,292,646
	Program 93.747 Total:		\$ 2,136,463	\$ 1,292,646
93.767	Children's Health Insurance Program	Human Services	\$ 118,376,223	\$ 205,133
93.771	State Grants for the Implementation, Enhancement, and Expansion of Medicaid and CHIP School-Based Services	Human Services	\$ 161,074	\$ -
93.788	Opioid STR	Human Services	\$ 9,785,533	\$ 8,519,558
93.788	Opioid STR	Minn State	\$ 481,295	\$ -
	Program 93.788 Total:		\$ 10,266,828	\$ 8,519,558
93.791	Money Follows the Person Rebalancing Demonstration	Human Services	\$ 26,217,924	\$ 2,466,884
93.800	Organized Approaches to Increase Colorectal Cancer Screening	Health	\$ 733,583	\$ 157,528
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	Health	\$ 481,811	\$ 38,534
93.823	Public Health Response, Forecasting, and Analytic Capacities Related to Disease Outbreaks, Epidemics, and Pandemics			
93.823	<i>Pass-Through from the University of Minnesota (Unknown)</i>	Health	\$ 57,047	\$ -
93.823	<i>Pass-Through from the University of Minnesota (Unknown)</i>	Health	\$ 113,646	\$ -
	Program 93.823 Total:		\$ 170,693	\$ -
93.845	Promoting Population Health through Increased Capacity in Alcohol Epidemiology	Health	\$ 181,218	\$ -
93.855	Allergy and Infectious Diseases Research			
93.855	<i>Pass-Through from the University of Minnesota (Unknown)</i>	Health	\$ 45,510	\$ -
93.859	R&D-Biomedical Research and Research Training	Minn State	\$ 37,054	\$ -
93.859	<i>Pass-Through from the University of Minnesota (T34GM137862)</i>	Minn State	\$ 61,389	\$ -
93.859	<i>Pass-Through from the University of Minnesota (P009696101)</i>	Minn State	\$ 43,227	\$ -
	Program 93.859 Total:		\$ 141,670	\$ -
93.869	Transforming Maternal Health (TMaH) Model	Human Services	\$ 12,976	\$ -
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	Health	\$ 11,304,097	\$ 8,982,520
93.870	COVID-19-Maternal, Infant and Early Childhood Home Visiting Grant	Health	\$ 71,900	\$ 71,900
	Program 93.870 Total:		\$ 11,375,997	\$ 9,054,420
93.876	R&D-Antimicrobial Resistance Surveillance in Retail Food Specimens	Agriculture	\$ 154,591	\$ -
93.889	National Bioterrorism Hospital Preparedness Program	Health	\$ 3,878,646	\$ 2,275,336
93.889	COVID-19-National Bioterrorism Hospital Preparedness Program	Health	\$ 461	\$ 461
	Program 93.889 Total:		\$ 3,879,107	\$ 2,275,797
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	Health	\$ 3,449,850	\$ 20,543
93.913	Grants to States for Operation of State Offices of Rural Health	Health	\$ 223,347	\$ -
93.917	HIV Care Formula Grants	Human Services	\$ 11,818,095	\$ 2,955,122
93.940	HIV Prevention and Surveillance Activities-Health Department Based	Health	\$ 2,204,090	\$ 571,796
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	\$ 368,221	\$ 26,471
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	\$ 849,025	\$ 94,248
93.958	Block Grants for Community Mental Health Services	Human Services	\$ 24,329,051	\$ 21,257,202
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Human Services	\$ 33,553,565	\$ 17,489,016
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	Health	\$ 12,542,194	\$ 5,133,814
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	Health	\$ 2,535,538	\$ 1,001,893
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	Education	\$ 308,067	\$ -
93.988	Cooperative Agreements for Diabetes Control Programs	Health	\$ 822,905	\$ 118,283

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

ALN	Federal Program Name or <i>Pass-Through Entity (Identifying Number)</i>	State Agency	Total Federal Expenditures	Amounts Provided to Subrecipients
93.991	Preventive Health and Health Services Block Grant	Health	\$ 3,390,115	\$ 276,846
93.994	Maternal and Child Health Services Block Grant to the States	Health	\$ 9,498,504	\$ 6,472,119
U.S. Department of Health and Human Services Total:			\$ 14,578,513,581	\$ 1,087,722,717
U.S. Corporation for National and Community Service				
94.006	AmeriCorps State and National 94.006			
94.006	<i>Pass-Through from the ServeMinnesota (21ACEMN0010002-23)</i>	Pollution Control Agency	\$ 305,467	\$ -
94.006	<i>Pass-Through from the ServeMinnesota (21ACEMN0010002-24)</i>	Pollution Control Agency	\$ 1,021,129	\$ 1,500
Program 94.006 Total:			\$ 1,326,596	\$ 1,500
U.S. Corporation for National and Community Service Total:			\$ 1,326,596	\$ 1,500
U.S. Social Security Administration				
Disability Insurance/SSI Cluster				
96.001	Social Security Disability Insurance	DEED	\$ 31,308,004	\$ -
Disability Insurance/SSI Cluster Total:			\$ 31,308,004	\$ -
U.S. Social Security Administration Total:			\$ 31,308,004	\$ -
U.S. Department of Homeland Security				
97.008	Non-Profit Security Program	Public Safety	\$ 2,355,031	\$ 2,355,031
97.012	Boating Safety Financial Assistance	Natural Resources	\$ 4,559,543	\$ 808,148
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	Natural Resources	\$ 396,820	\$ 3,380
97.029	Flood Mitigation Assistance	Public Safety	\$ 384,090	\$ 384,090
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters) (10)	Public Safety	\$ 29,148,860	\$ 27,092,765
97.036	COVID-19-Disaster Grants - Public Assistance (Presidentially Declared Disasters) (10)	Public Safety	\$ 42,472,197	\$ 31,085,647
Program 97.036 Total:			\$ 71,621,057	\$ 58,178,412
97.039	Hazard Mitigation Grant	Public Safety	\$ 4,097,388	\$ 3,889,077
97.039	COVID-19-Hazard Mitigation Grant	Public Safety	\$ 4,331,009	\$ 4,165,360
Program 97.039 Total:			\$ 8,428,397	\$ 8,054,437
97.041	National Dam Safety Program	Natural Resources	\$ 266,996	\$ -
97.042	Emergency Management Performance Grants	Public Safety	\$ 6,634,511	\$ 3,656,738
97.043	State Fire Training Systems Grants	Public Safety	\$ 8,000	\$ -
97.045	Cooperating Technical Partners	Natural Resources	\$ 776,434	\$ -
97.047	BRIC: Building Resilient Infrastructure and Communities	Public Safety	\$ 828,907	\$ 18,585
97.052	Emergency Operations Center	Public Safety	\$ 984,887	\$ 984,887
97.067	Homeland Security Grant Program	Public Safety	\$ 11,640,614	\$ 7,887,507
97.091	Homeland Security Biowatch Program	Health	\$ 1,164,075	\$ -
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention	Public Safety	\$ 165,668	\$ -
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	Public Safety	\$ 4,747,698	\$ -
U.S. Department of Homeland Security Total:			\$ 114,962,728	\$ 82,331,215
Federal Programs Total:			\$ 20,815,212,884	\$ 2,848,795,796
Research and Development (R&D) Cluster Total:			\$ 22,139,559	\$ 2,620
Student Financial Assistance Cluster Total:			\$ 582,273,272	\$ -

The notes (referenced in parentheses) are an integral part of these statements.

State of Minnesota
Financial and Compliance Report on Federally Assisted Programs
Fiscal Year Ended June 30, 2025

Notes to the Schedule of Expenditures of Federal Awards

These notes provide disclosures relevant to the Schedule of Expenditures of Federal Awards presented on the preceding pages.

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation

The reporting policies for fiscal year 2025 conform to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) contained in 2 CFR Part 200, as applicable. The required Schedule of Expenditures of Federal Awards (SEFA) is presented for the state's fiscal year ended June 30, 2025.

The auditors use a risk-based approach as defined in the Uniform Guidance to determine which federal programs are audited. Programs expending \$31.2 million or more in federal awards are Type A programs. Type B programs are programs expending less than \$31.2 million in federal awards. If the auditor assesses Type A programs as other than low risk, the program is audited. If the auditor assesses Type A programs as low risk, the auditor may replace Type A programs with high-risk Type B programs. Type A programs must be audited at least once every three years.

For purposes of financial reporting, the Assistance Listing Numbers (ALN) are obtained from the sam.gov website. The schedule is presented in numeric ALN order within each federal agency, except for clusters of programs.

Federal guidelines define clusters as a grouping of closely related programs that share common compliance requirements. The types of clusters are research and development (R&D), student financial aid (SFA), and others as defined by the compliance supplement. Since the state receives R&D and SFA awards from several federal agencies, those awards are not grouped together in the Schedule of Expenditures of Federal Awards. Instead, the awards included in the R&D cluster are identified by the prefix "R&D" within the name of the federal program and subtotaled at the end of the Schedule of Expenditures of Federal Awards. The awards included in the SFA cluster are identified as such in the Schedule of Expenditures of Federal Awards and subtotaled at the end of the Schedule of Expenditures of Federal Awards.

Federal guidelines require separate identification of expenditures of federal awards under the American Recovery and Reinvestment Act (ARRA) and for COVID-19 related awards on the Schedule of Expenditures of Federal Awards. ARRA has ended, but the residual funds continue to be used. The prefix "ARRA" was included in the name of the federal program to provide identification for ARRA. The prefix "COVID-19" was included in the name of the federal program to provide identification for COVID-19 related awards.

The state typically does not elect to use the de minimis cost rate covered in 2 CFR 200.414.

Financial Reporting Entity of the State of Minnesota

The financial reporting entity for the state of Minnesota includes all state departments, agencies, institutions, and organizational units that are controlled by or dependent upon the Minnesota Legislature or its constitutional officers. The state, as a primary government, has considered for inclusion all potential component units for which it may be financially accountable or other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the report to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be used in determining financial accountability. These criteria include the state's ability to appoint a voting majority of an organization's governing body and either the ability of the state to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state.

The federal programs included in the Schedule of Expenditures of Federal Awards in this report are part of the state's primary government. The federal programs administered by discretely presented component units are not presented in this report, but in single audit reports issued by these entities.

Minnesota State Colleges and Universities (Minn State), which is part of the primary government, consists of the following educational institutions:

Alexandria Technical & Community College	Minnesota State University, Moorhead
Anoka Technical College	Minnesota West Community & Technical College
Anoka-Ramsey Community College	Normandale Community College
Bemidji State University	North Hennepin Community College
Central Lakes College	Northland Community & Technical College
Century College	Northwest Technical College
Dakota County Technical College	Pine Technical & Community College
Fond du Lac Tribal & Community College	Ridgewater College
Hennepin Technical College	Riverland Community College
Inver Hills Community College	Rochester Community & Technical College
Lake Superior College	Saint Paul College
Metropolitan State University	South Central College
Minneapolis College	Southwest Minnesota State University
Minnesota North College	St. Cloud State University
Minnesota State College – Southeast	St. Cloud Technical & Community College
Minnesota State Community & Technical College	Winona State University
Minnesota State University, Mankato	

Basis of Accounting

The state's Annual Comprehensive Financial Report and this supplemental schedule are presented in accordance with generally accepted accounting principles, following the accrual or modified accrual basis of accounting, as appropriate for the fund structure. Most federal activity is accounted for in the Federal Fund (a major governmental fund), but several other non-major special revenue funds (Trunk Highway, Municipal State-Aid Street, County State-Aid Highway, Natural Resources, Game and Fish, and Miscellaneous Special Revenue funds), major proprietary funds (Unemployment Insurance and State Colleges and Universities funds), and the General Fund (a major governmental fund), include federal activity. The Statewide Integrated Financial Tools (SWIFT) system is the primary source of financial information. Some state agencies maintain additional manual records or separate cost accounting systems to provide additional information.

Classification of Statement Information

Expenditures are presented for all federal programs and include amounts sub-granted to other state or local governmental units, nongovernmental organizations, or individuals. Sub-grant expenditures are recognized by the primary state agency sub-granting the funds, not by the state agency receiving the sub-grant from the primary state agency, except for portions of Temporary Assistance for Needy Families (TANF) (ALN 93.558). TANF sub-grants, which are transferred into the Social Services Block Grant (ALN 93.667) and the Child Care and Development Block Grant (ALN 93.575), are included in those programs and not TANF.

Note 2 – Perkins and Nursing Student Loan Programs

Below is a summary of the loan activity for the Federal Perkins Loans Program Federal Capital Contributions (ALN 84.038) and Nursing Student Loans (NSL) (ALN 93.364) programs during fiscal year 2025. These programs are administered by Minn State.

	Perkins Loans	Nursing Student Loans
Loans Receivable, Beginning	\$ 3,012,319	\$ -
Loan Repayments	(879,598)	-
Loan Cancellations	(52,259)	-
New Loans Issued	-	7,734
Loans Receivable, Ending	\$ 2,080,462	\$ 7,734
Allowance for Doubtful Accounts	(79,559)	-
Total Loans Receivable	<u>\$ 2,000,903</u>	<u>\$ 7,734</u>

Note 3 – Federal Direct Student Loans Program

Minn State’s financial records provide information on various federal higher education student loan programs for which the state does not manage the federal funds.

Under the Federal Direct Student Loans (FDSL) program (ALN 84.268), the federal government, rather than a private lender, provides the loan principal to the student. Minn State distributed the following FDSL loans to students attending state colleges or universities during fiscal year 2025.

Federal Direct Student Loans Issued:		
Direct Federal Subsidized Stafford	\$	107,132,613
Direct Federal Unsubsidized Stafford		174,551,781
Direct Federal Parent Loans for Undergraduate Students		11,491,073
Direct Federal Graduate PLUS		3,205,861
Total Federal Direct Student Loans	<u>\$</u>	<u>296,381,328</u>

Note 4 – Rebates

The WIC Special Supplemental Nutrition Program for Women, Infants, and Children (ALN 10.557), administered through the Minnesota Department of Health, receives cash rebates from infant formula manufacturers. The rebates are used to offset program costs and are reported as expenditure reductions. During fiscal year 2025, the state of Minnesota recognized total rebates of \$26,135,513 on

sales of formula to participants in the program. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16a(c) as a cost containment measure.

The Grants to States for Medicaid program (ALN 93.778), administered through the Minnesota Department of Human Services, receives cash rebates from drug labelers on sales of drugs to participants in the Grants to States for Medicaid program. The rebates are used to offset program costs and are reported as expenditure reductions. During fiscal year 2025, the state of Minnesota reduced expenditures by \$652,056,042 for the federal share of the rebate.

Note 5 – Unemployment Insurance Program

For fiscal year 2025, expenditures for the Unemployment Insurance program (ALN 17.225) include federal and state unemployment insurance expenditures as well as federal administrative expenditures. As shown in the following table, some of these expenditures continue to be funded by American Recovery and Reinvestment Act (ARRA) funds and additional federal programs passed under COVID-19 legislation:

	Non-ARRA Funds	ARRA Funds	COVID-19 Related Funds	Total
State UI Expenditures	\$ 1,333,064,425	\$ -	\$ -	\$ 1,333,064,425
Federal UI Expenditures	4,842,206	-	550,163	5,392,369
Federal Admin Expenditures	52,488,337	91,070	-	52,579,407
Total Expenditures	<u>\$ 1,390,394,968</u>	<u>\$ 91,070</u>	<u>\$ 550,163</u>	<u>\$ 1,391,036,201</u>

The Unemployment Insurance program serves workers who are unemployed through no fault of their own and are seeking reemployment. To receive benefits, claimants must be able to work, available for work, and actively seeking work. For audits and reporting under the Uniform Guidance, the U.S. Department of Labor requires that both federal and state unemployment insurance funds be considered federal awards for determining federal programs subject to audit and for reporting expenditures of federal awards.

Note 6 – Clean Water State Revolving Fund Grants

Clean Water State Revolving Fund grants (ALN 66.458) are used by states to create revolving funds to provide financing for construction of wastewater treatment facilities and implementation of other water quality management activities. Loans are administered from these funds by the state departments of Employment and Economic Development, Agriculture, and Pollution Control. The state's loan programs are Tourism Septic Loan (TLP), Agriculture Best Management Practices (AG BMP), and Clean Water Partnership (CWP). A summary of the loan activity for fiscal year 2025 is shown below. All loan issues are made from receipts from loan repayments and no new federal funding has been provided. Therefore, no expenditures are shown on the face of the Schedule of Expenditures of Federal Awards.

	TLP	AG BMP	CWP
Loans Receivable, Beginning	\$ 9,534	\$ 53,377,897	\$ 29,235,988
Loan Repayments	(3,486)	(12,545,670)	(4,388,282)
New Loans Issued	-	9,037,675	5,403,543
Loans Receivable, Ending	<u>\$ 6,048</u>	<u>\$ 49,869,902</u>	<u>\$ 30,251,249</u>

Note 7 – Meat and Poultry Intermediary Lending Program

The Meat and Poultry Intermediary Lending Program (ALN 10.382) (MPILP) finances the start-up, expansion or operation, and processing of meat and poultry in the State of Minnesota. The Minnesota Department of Agriculture manages this program through the Rural Finance Authority (RFA), a discretely presented nonmajor component unit, who provides subject matter expertise and collects an administrative fee for providing their services. A summary of the loan activity for fiscal year 2025 is shown below.

	MPILP
Loans Receivable, Beginning	\$ 817,666
Loan Repayments	(229,534)
New Loans Issued	8,164,081
Loans Receivable, Ending	<u>\$ 8,752,213</u>

Note 8 – Airport Improvement Program

As defined by the Federal Aviation Administration (FAA) Order 5100.38, Minnesota is a channeling act state for the Airport Improvement Program (ALN 20.106). As a channeling act state and in accordance with Minnesota Statutes 360.0161, the Minnesota Department of Transportation (MnDOT) acts as an agent for airports/airport sponsors (i.e., cities, counties, and airport authorities). Most of the grant agreements are established between FAA and the airports/airport sponsors, and the airport sponsor is the recipient of the grant. MnDOT's main responsibilities are to pay requests for reimbursement, approved by the FAA, to the respective airport/airport sponsor and request reimbursement from the federal government. The total reimbursements processed in fiscal year 2025 for channeling grants is \$140,301,826 in non-COVID-19 grants and \$1,421,254 in COVID-19 related grants. These monies are not reflected in the Schedule of Expenditures of Federal Awards.

Note 9 – Assistance Listing Numbers (ALN)

For certain programs, the correct ALN could not be determined. At times, state agencies receive federal grant funds from a federal agency with a program number instead of an ALN. When possible, an ALN was obtained for the program. Certain ALNs reported are for programs no longer in operation. These programs had funds carried over from previous years. In other cases, an inexact number was assigned, and the state agency was asked to work with the federal granting agency to obtain a valid ALN for the grant program.

Note 10 – Disaster Grants

In fiscal year 2025, the Federal Emergency Management Agency (FEMA) approved \$11,056,861 of eligible expenditures in COVID-19-Disaster Grants - Public Assistance (Presidentially Declared Disasters) (ALN 97.036) related to prior year disaster expenditures but are included in the fiscal year 2025 Schedule of Expenditures of Federal Awards.



State of Minnesota

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued by the State of Minnesota Office of the Legislative Auditor on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting issued by the State of Minnesota Office of the Legislative Auditor on the basic financial statements:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **Yes**

Type of auditor’s report issued by the Minnesota Office of the State Auditor on whether the Schedule of Expenditures of Federal Awards audited was prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting issued by the Minnesota Office of the State Auditor on the Schedule of Expenditures of Federal Awards:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **None reported**

Noncompliance material to the Schedule of Expenditures of Federal Awards noted? **No**

Federal Awards

Internal control over the major federal programs:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Dollar threshold used to distinguish between Type A and Type B programs: **\$31,222,819**

State of Minnesota qualified as a low-risk auditee? **No**

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2025

The State of Minnesota’s major federal programs and type of auditor’s report issued on compliance for the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster	Type of Opinion
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
10.646	Summer Electronic Benefit Transfer Program for Children	Unmodified
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Unmodified
17.258 17.259 17.278	WIOA Cluster	Qualified
21.029	COVID-19 – Coronavirus Capital Projects Fund	Unmodified
81.042	Weatherization Assistance for Low-Income Persons	Unmodified
84.007 84.033 84.038 84.063 84.268 84.379 93.364	Student Financial Assistance Cluster	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Unmodified
93.044 93.045 93.053	Aging Cluster	Qualified
93.423	1332 State Innovation Waivers	Unmodified
93.558	Temporary Assistance for Needy Families	Qualified
93.575 93.596	CCDF Cluster	Qualified
93.658	Foster Care Title IV-E	Qualified
93.659	Adoption Assistance	Qualified
93.767	Children’s Health Insurance Program	Qualified
93.775 93.777 93.778	Medicaid Cluster	Qualified

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2025

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State of Minnesota

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2025

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*Acronym CLA references audit findings written by private audit firm, CliftonLarsonAllen LLP, during the audit of major programs occurring at Minnesota State Colleges and Universities.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2025

Section II – Financial Statement Findings

Internal control over financial reporting deficiencies reported by the State of Minnesota Office of the Legislative Auditor on the State of Minnesota's basic financial statements can be found at: [State of Minnesota Financial Statement Findings issued by the Office of the Legislative Auditor](#).

2025-001 Incorrect Expenditures and Amounts Provided to Subrecipients Reported on the Schedule of Expenditures of Federal Awards

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Material Weakness

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.510(b) states that the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total federal awards expended as determined in accordance with § 200.502, basis for determining federal awards expended.

In addition, the Statewide Operating Procedure Manual Number 0402-02.1 states that state agencies must track financial activity in the State's accounting system, SWIFT, for each federal financial assistance program. State agencies are required to periodically generate and review the SEFA report to ensure they properly set up federal grants in the accounting system and that the expenditures of federal funds received are included and properly reported. Procedures also require state agencies provide adjusting entries to ensure accurate reporting of expenditures on the SEFA report.

Condition: The State of Minnesota did not properly identify the amount expended and the amount provided to subrecipients for a number of programs during the preparation of the SEFA, which resulted in audit adjustments necessary for fair presentation.

Context: Each state agency prepared a preliminary, certified SEFA, including amounts provided to subrecipients, for the year ended June 30, 2025. Minnesota Management and Budget compiles the information as provided by each agency for presentation. The inability to properly identify and track federal expenditures, including amounts provided to subrecipients, or to detect misstatements in the SEFA increases the likelihood that federal expenditures would not be fairly reported and that noncompliance with direct and material compliance requirements may occur. Adjustments to the SEFA were approved by management and are reflected on the final SEFA.

Effect: The following audit adjustments were reviewed and approved by the respective state agencies and are reflected in the SEFA:

Minnesota Department of Employment and Economic Development

- Decreased expenditures by \$3,457,580 and amounts provided to subrecipients by \$3,357,720 to correct errors in reporting for the Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (Assistance Listing Number 14.228);

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

- Decreased expenditures by \$7,208,177 and increased amounts provided to subrecipients by \$1,944,467 to correct errors in reporting for the COVID-19 – Coronavirus Capital Projects Fund (Assistance Listing Number 21.029);
- Decreased expenditures by \$13,487,434 and amounts provided to subrecipients by \$107,187 to correct errors in reporting for the Rehabilitation Services Vocational Rehabilitation Grants to States (Assistance Listing Number 84.126);
- Decreased expenditures by \$4,550,365 to correct errors in reporting for the Social Security Disability Insurance (Assistance Listing Number 96.001);
- Decreased expenditures by \$3,994,245 and amounts provided to subrecipients by \$3,526,652 to correct errors in reporting for the WIOA Cluster (Assistance Listing Numbers 17.258, 17.259, and 17.278); and
- Decreased expenditures by \$6,491,426 to correct errors in reporting for Unemployment Insurance (Assistance Listing Numbers 17.225, 17.225 ARRA, and 17.225 COVID-19).

Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

- Increased expenditures by \$21,344,000 to correct errors in reporting for Summer Electronic Benefit Transfer Program for Children (Assistance Listing Number 10.646); and
- Increased expenditures by \$243,846,270 to correct errors in reporting for Medicaid Cluster (specifically, Assistance Listing Number 93.778).

Cause: The parameters used to pull data from SWIFT for each of the above programs were incorrect and this activity was overlooked or incorrectly recorded when the Schedule of Expenditures of Federal Awards was prepared, reviewed, and certified by the respective state agencies.

Recommendation: We recommend each respective state agency review internal controls currently in place to ensure correct identification of expenditures and amounts provided to subrecipients for SEFA reporting.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Section III – Federal Award Findings and Questioned Costs

2025-002 **Reporting**

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.423 1332 State Innovation Waivers

Award Number and Year: SIWIWI80002-07-00; 2024

State Agency: Minnesota Department of Commerce

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The Minnesota Department of Commerce is required to submit a complete and accurate annual report to the U.S. Department of Health and Human Services Centers for Medicare & Medicaid Services (CMS).

Condition: The total federal share of expenditures in the amount of \$129,884,177 was excluded from the Annual Federal Financial Report. The Minnesota Department of Commerce asserted this report was reviewed by someone independent of the preparer; however, the Minnesota Department of Commerce did not retain documentation of the review.

Questioned Costs: None.

Context: The one required State Innovation Waivers Program Annual Federal Financial Report was tested. The federal program expenditures reported on the SEFA were \$129,884,177.

Effect: The total federal share of expenditures was understated and, subsequently, the unobligated balance was understated by \$129,884,177. The U.S. Department of Health and Human Services did not receive complete and accurate information about the award.

Cause: The Minnesota Department of Commerce staff omitted the federal share of expenditures on the Annual Federal Financial Report due to an oversight.

Recommendation: We recommend the Minnesota Department of Commerce establish and implement procedures to include all necessary information in reports.

View of Responsible Official: Acknowledge

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-003 Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Labor

Programs: 17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award Number and Year:

Assistance Listing Number	Award Number	Year
17.258	AA38537NQ0, AA38537QH0	2022
17.258	AT000040IF0, AT000040TJ0	2023
17.258	AT000094VX0, AT0000944O0	2024
17.259	AA38537OE0	2022
17.259	AY000047IS0	2023
17.259	AY000087WB0	2024
17.278	AA38537OC0, AA38537QJ0	2022
17.278	AW000006IQ0, AW000006TL0	2023
17.278	AW000071VZ0, AW0000714W0	2024

State Agency: Minnesota Department of Employment and Economic Development

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* § 200.334 states that the auditee must maintain all federal award records for three years from the date of submission of their final financial report. Records to be retained include, but are not limited to, financial records, supporting documentation, and statistical records.

Condition: In the sample of 60 lines of general ledger nonpayroll and nonsubrecipient data tested for activities allowed or unallowed and allowable costs/cost principles, the Minnesota Department of Employment and Economic Development was unable to provide support for 28 of the lines of general ledger data. Without supporting documentation, the amounts reported on the related U.S. Department of Labor Employment and Training Administration (ETA) ETA-9130 reports are not adequately supported.

Questioned Costs: \$2,672; known questioned costs were determined based on unsupported lines of general ledger data identified during testing.

Context: The portion of the expenditure population consisting of nonpayroll and nonsubrecipient transactions reported on the SEFA totals \$1,008,984 and includes 2,328 lines of general ledger data. The sample of 60 lines of general ledger data tested totaled \$101,714. The reporting population consisted of four quarterly ETA-9130 reports for each grant award. The sample sizes were based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Effect: Without supporting documentation, the Minnesota Department of Employment and Economic Development is not in compliance with federal activities allowed or unallowed, allowable costs/cost principles, and reporting requirements.

Cause: The Minnesota Department of Employment and Economic Development informed us there was turnover in the department and the complexity of how the cost-sharing transactions were documented made it difficult and time consuming to trace transactions to original support.

Recommendation: We recommend the Minnesota Department of Employment and Economic Development develop procedures for recording, processing, and retaining documentation for all expenditures, including cost-sharing transactions.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-004 Reporting – ETA-9130 Financial Reports – Errors in Reporting

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Labor

Programs: 17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award Number and Year:

Assistance Listing Number	Award Number	Year
17.258	AA36327D90, AA36327KY0	2021
17.258	AT000094VX0, AT000094400	2024
17.259	AA36327E10	2021
17.278	AA36327DQ0, AA36327LA0	2021
17.278	AW000006IQ0, AW000006TLO	2023
17.278	AW0000714W0	2024

State Agency: Minnesota Department of Employment and Economic Development

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

OMB Control Number 1205-0461 and the U.S. Department of Labor Employment and Training Administration (ETA) Financial Reporting Instructions for ETA-9130 require submission of a separate ETA-9130 report for each program and each fund source awarded to a grant recipient, and all financial data is required to be reported cumulatively from grant inception through the end of each reporting period.

Condition: In a sample of 35 reports tested, the following exceptions were identified.

The following was identified during review of the second quarter ETA-9130 WIOA Dislocated Worker Formula Grants reports:

- For grant award AW000006IQ0, Incumbent Worker Training Expenditures were understated by \$18,163 and Training Expenditures were understated by \$297,350; and
- For grant award AW000006TLO, Expenditure of Dislocated Worker Funds on the Adult Program was understated by \$384,430.

The following was identified during review of the fourth quarter ETA-9130 WIOA Dislocated Worker Formula Grants reports:

- For grant award AW000006TLO, Federal Share of Expenditures was understated by \$630,251 and Federal Share of Unliquidated Obligations was understated by \$219,906; and

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

- For grant award AW0000714W0, Federal Share of Unliquidated Obligations was understated by \$79,225 and Total Administration Expenditures were understated by \$109,574.

The following was identified during review of the fourth quarter ETA-9130 WIOA Adult Program reports:

- For grant award AT000094VX0, Training Expenditures were overstated by \$485,585; and
- For grant award AT000094400, Total Administration Expenditures were understated by \$122,281.

The Minnesota Department of Employment and Economic Development submitted the closeout 2021 program year reports in May 2025. For four of the five closeout reports, the Minnesota Department of Employment and Economic Development was unable to provide grant agreements that supported the authorized award amounts reported. For all five reports, the expenditures and receipts reported did not reconcile to the general ledger.

Questioned Costs: \$630,251; known questioned costs were determined based on amounts reported cumulatively during the year that may affect the amount received from the federal award.

Context: The U.S. Department of Labor relies on accurate identification and reporting of costs and detailed information necessary for maintaining proper oversight over federal programs.

The reporting population consisted of 60 ETA-9130 quarterly reports, for 15 grant awards, covering four award years, for all three programs within the WIOA Cluster and five closeout 2021 ETA-9130 reports. The sample was a combination of 15 second quarter reports, 15 fourth quarter reports, and all five closeout 2021 reports, for a total of 35. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Errors in the identification and reporting of costs on the quarterly and closeout reports can impair the U.S. Department of Labor's ability to provide required oversight over federal programs.

Cause: The Minnesota Department of Employment and Economic Development's controls over the preparation and review of the quarterly and closeout reports were not sufficient to identify these errors.

Recommendation: We recommend the Minnesota Department of Employment and Economic Development implement controls, including reviews of reports prior to submission, to ensure all expenditures are identified and accurately reported to the U.S. Department of Labor in accordance with federal program guidance and the U.S. Department of Labor instructions.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-005 Reporting – ETA-9130 Financial Reports – Timeliness

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Labor

Programs: 17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award Number and Year:

Assistance Listing Number	Award Number	Year
17.258	AA36327D90, AA36327KY0	2021
17.258	AA38537NQ0, AA38537QH0	2022
17.258	AT000040IF0, AT000040TJ0	2023
17.258	AT000094VX0, AT000094400	2024
17.259	AA36327E10	2021
17.259	AA38537OE0	2022
17.259	AY000047IS0	2023
17.259	AY000087WB0	2024
17.278	AA36327DQ0, AA36327LA0	2021
17.278	AA38537OC0, AA38537QJ0	2022
17.278	AW000006IQ0, AW000006TL0	2023
17.278	AW000071VZ0, AW0000714W0	2024

State Agency: Minnesota Department of Employment and Economic Development

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

OMB Control Number 1205-0461 and the U.S. Department of Labor Employment and Training Administration (ETA) Financial Reporting Instructions for ETA-9130 states ETA-9130 quarterly reports, including the final quarter report, are required to be submitted no later than 45 calendar days after the end of each specified reporting period. A final quarter ETA-9130 report is required at the completion of the quarter encompassing the grant award end date or at the completion of the quarter in which all funds have been expended, whichever comes first. The final quarter ETA-9130 report must be identified as final by selecting “YES” in Item 6, Final Report. In addition, a closeout report is required to be submitted within 120 calendar days after the period of performance end date unless prior approval for an extension is requested and granted by the U.S. Department of Labor.

Condition: For 28 of the 30 quarterly ETA-9130 reports tested, the reports were not submitted within 45 days of quarter end. Testing included five final quarterly reports, and none of them were properly identified as final reports. Additionally, four of the five 2021 closeout reports were not submitted within 120 days of the period of performance end date nor was an extension requested or granted by the U.S. Department of Labor.

Questioned Costs: None.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Context: Quarterly reporting is submitted through the U.S. Department of Labor's Payment Management System (PMS). A separate ETA-9130 report is required for each program and each fund source awarded.

The reporting population consisted of 60 ETA-9130 quarterly reports, for 15 grant awards, covering four award years, for all three programs within the WIOA Cluster and five closeout 2021 ETA-9130 reports. The sample was a combination of 15 second quarter reports, 15 fourth quarter reports, and all five closeout 2021 reports, for a total of 35. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Employment and Economic Development is not in compliance with federal report submission requirements.

Cause: The Minnesota Department of Employment and Economic Development informed us that there was an issue with completing the reports timely in 2025 due to staff turnover.

Recommendation: We recommend the Minnesota Department of Employment and Economic Development implement procedures to ensure all reports are submitted within the timelines and properly identify final reports as required.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-006 Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Labor

Programs: 17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award Number and Year:

Assistance Listing Number	Award Number	Year
17.258	AA38537NQ0, AA38537QH0	2022
17.258	AT000040IF0, AT000040TJ0	2023
17.258	AT000094VX0, AT0000944O0	2024
17.259	AA38537OE0	2022
17.259	AY000047IS0	2023
17.259	AY000087WB0	2024
17.278	AA38537OC0, AA38537QJ0	2022
17.278	AW000006IQ0, AW000006TL0	2023
17.278	AW000071VZ0, AW0000714W0	2024

State Agency: Minnesota Department of Employment and Economic Development

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, that are codified in Title 2 U.S. Code of Federal Regulations, Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Title 2 U.S. Code of Federal Regulations, Appendix A to Part 170, requires reporting a subaward, once made, by the end of the subsequent month.

Condition: The Minnesota Department of Employment and Economic Development has not submitted the required FFATA reports for the WIOA Cluster since April 2023.

Questioned Costs: None.

Context: This program approves five subawards per year for each subrecipient.

Effect: The Minnesota Department of Employment and Economic Development is not in compliance with FFATA reporting requirements.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Cause: The Minnesota Department of Employment and Economic Development informed us that there was miscommunication between departments on whose responsibility the FFATA reporting fell under for the WIOA Cluster.

Recommendation: We recommend the Minnesota Department of Employment and Economic Development implement procedures to complete reports required by FFATA for the WIOA Cluster. In addition, we recommend the Minnesota Department of Employment and Economic Development work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-007 Subrecipient Monitoring – Onsite Reviews

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Labor

Programs: 17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award Number and Year:

Assistance Listing Number	Award Number	Year
17.258	AA38537NQ0, AA38537QH0	2022
17.258	AT000040IF0, AT000040TJ0	2023
17.258	AT000094VX0, AT0000944O0	2024
17.259	AA38537OE0	2022
17.259	AY000047IS0	2023
17.259	AY000087WB0	2024
17.278	AA38537OC0, AA38537QJ0	2022
17.278	AW000006IQ0, AW000006TL0	2023
17.278	AW000071VZ0, AW0000714W0	2024

State Agency: Minnesota Department of Employment and Economic Development

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* § 200.332 includes requirements such as evaluating the subrecipient’s risk of noncompliance with a subaward; and monitoring the activities of subrecipients as necessary to ensure compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

Furthermore, 29 U.S.C. § 3244(a)(4) of the Workforce Innovation and Opportunity Act (WIOA) states that each Governor of a State shall conduct on an annual basis onsite monitoring of each local area within the State to ensure compliance with the uniform administrative requirements.

Condition: The Minnesota Department of Employment and Economic Development did not conduct onsite monitoring visits as required for seven of the nine subrecipients selected for testing.

Questioned Costs: \$1,921,284; known questioned costs were determined based on the payments made to the subrecipients tested where onsite visits were not conducted.

Context: Total subrecipient expenditures reported on the SEFA are \$20,951,636, consisting of 17 subrecipients for each of the three programs within the WIOA Cluster. The sample consisted of three subrecipients for each of the three programs within the WIOA Cluster, which included seven unique subrecipients, totaling \$2,011,126. The subrecipient monitoring requirements and procedures performed are different for each program. The sample size

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Failure to perform onsite monitoring visits increases the risk that subrecipients may not administer subawards in compliance with the terms and conditions of the subawards.

Cause: The Minnesota Department of Employment and Economic Development informed us that completing the monitoring remotely was more efficient than onsite monitoring.

Recommendation: We recommend the Minnesota Department of Employment and Economic Development conduct annual subrecipient monitoring reviews onsite as required.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-008 **Eligibility – Management Evaluations**

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Agriculture

Program: 10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children

Award Number and Year: 252MN004W1003, 252MN004W1006; 2025

State Agency: Minnesota Department of Health

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 7 U.S. *Code of Federal Regulations* § 246.19(b)(3) states the state agency shall conduct monitoring reviews of each local agency every two years under the WIC Special Supplemental Nutrition Program for Woman, Infants, and Children.

Condition: Monitoring reviews of two local agencies were not completed within two years in accordance with the State's Monitoring Plan, nor was the delay communicated to the U.S. Department of Agriculture.

Questioned Costs: \$529,461; known questioned costs were determined based on the total amount paid to the two local agencies.

Context: The Minnesota Department of Health provides funding to local agencies to administer the eligibility determination under the WIC Special Supplemental Nutrition Program for Women, Infants, and Children. The Minnesota Department of Health is required to submit a Monitoring Plan to the U.S. Department of Agriculture, Food and Nutrition Services. If the State's Monitoring Plan cannot be completed as submitted within the required two years, notification must be communicated to the U.S. Department of Agriculture, Food and Nutrition Services. The population consisted of 26 local agencies subject to monitoring reviews. Payments to those agencies were \$13,632,630.

Effect: The Minnesota Department of Health is not in compliance with Title 7 U.S. *Code of Federal Regulations* § 246.19(b)(3).

Cause: The Minnesota Department of Health indicated staffing issues at both the state and local level and the possibility of a state shutdown led to the delay in completing the monitoring reviews.

Recommendation: We recommend the Minnesota Department of Health implement procedures to ensure the monitoring reviews are completed every two years.

View of Responsible Official: Acknowledge

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-009 Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Prior Year Finding Number: 2024-006

Year of Finding Origination: 2021

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

- Programs:** 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
 93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
 93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
 93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services
 93.053 Nutrition Services Incentive Program
 93.558 Temporary Assistance for Needy Families
 93.575 Child Care and Development Block Grant
 93.658 Foster Care Title IV-E
 93.767 Children’s Health Insurance Program
 93.778 Grants to States for Medicaid

Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2401MNOASS-04	2024
93.044	2501MNOASS-01	2025
93.044 COVID-19	2101MNSSC6-04	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM	2022
93.045	2301MNOAHD	2023
93.045	2401MNOACM-04, 2501MNOAHD-05	2024
93.045	2501MNOACM, 2501MNOAHD-01	2025
93.045 COVID-19	2101MNCMC6-06, 21001MNHDC6-06	2021
93.053	2301MNOANS-02	2023
93.053	2401MNOAS-03	2024
93.053	2501MNOANS-00	2025
93.558	2301MNTANF	2023
93.558	2401MNTANF	2024
93.558	2501MNTANF	2025
93.575	2201MNCCDF	2022
93.575	2301MNCCDF	2023
93.575	2401MNCCDF	2024
93.575	2501MNCCDF	2025
93.658	2401MNFOST	2024
93.658	2501MNFOST	2025
93.767	2305MN5021	2023
93.767	2405MN3002	2024
93.767	2505MN5021	2025
93.778	2305MN5MAP	2023
93.778	2405MN5ADM, 2405MN5MAP	2024
93.778	2505MN5ADM, 2505MN5MAP	2025

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, that are codified in Title 2 U.S. *Code of Federal Regulations*, Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Title 2 U.S. *Code of Federal Regulations*, Appendix A to Part 170, requires reporting a subaward, once made, by the end of the subsequent month.

Condition: In the sample of 63 transactions selected for FFATA testing, 38 subawards were not reported in the FSRS, and the remaining 25 subawards were not submitted in the FSRS by the due date. In addition, 62 subawards were either incorrect or not submitted, while all 63 subawards were missing key elements. Also, six subawards were submitted for an entity that was not a subrecipient.

Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
63	38	25	62	63
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$ 6,431,558	Unknown	\$ 6,431,558	\$ 6,370,399	\$ 6,431,558

Questioned Costs: None.

Context: The issue was noted during the audit of Aging Cluster, Temporary Assistance for Needy Families, Child Care and Development Block Grant, Foster Care Title IV-E, Children’s Health Insurance Program, and Grants to States for Medicaid; however, it impacts federal programs agency-wide.

The Minnesota Department of Human Services submitted approximately 360 first-tier subawards totaling \$155,552,404 to FSRS during the reporting period of July 1, 2024, to June 30, 2025, for the Aging Cluster, Temporary Assistance for Needy Families, Child Care and Development Block Grant, Foster Care Title IV-E, Children’s Health Insurance Program, and Grants to States for Medicaid. These subawards included both current year subawards in addition to subawards from prior years that had yet to be reported. The sample of this population consisted of 24 subawards reported, totaling \$6,431,558.

During this same period, the Minnesota Department of Human Services provided \$519,252,454 to subrecipients that exceeded \$30,000 per subrecipient for the Aging Cluster, Temporary Assistance for Needy Families, Child Care and Development Block Grant, Foster Care Title IV-E, Children’s Health Insurance Program, and Grants to States for Medicaid. The sample of this population consisted of 39 subrecipients receiving subawards in excess of \$30,000. Total subawards tested for sampled items is unknown.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

The sample sizes were based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with FFATA reporting requirements.

Cause: The Minnesota Department of Human Services informed us that their FFATA reporting process is still evolving as they continue to resolve issues with reporting.

Recommendation: We recommend the Minnesota Department of Human Services implement procedures to complete reports required by FFATA. In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-010 Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)

Prior Year Finding Number: 2024-007

Year of Finding Origination: 2023

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Programs: 93.658 Foster Care Title IV-E
93.659 Adoption Assistance

Award Number and Year:

Assistance Listing Number	Award Number	Year
93.658	2401MNFOST	2024
93.658	2501MNFOST	2025
93.659	2301MNADPT	2023
93.659	2401MNADPT	2024
93.659	2501MNADPT	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 45 U.S. *Code of Federal Regulations* § 201.5(a)(3) requires quarterly reporting of grant expenditures. The Title IV-E Programs Quarterly Financial Report (Form CB-496) is required by the U.S. Department of Health and Human Services Administration for Children and Families (ACF).

Section 473(a)(8)(B) of the Social Security Act requires annual reporting of any calculated adoption savings and the expenditure of identified adoption savings. The Annual Adoption Savings Calculation and Accounting Report (Part 4 of Form CB-496) is required by the ACF.

Condition: The following was identified during review of Form CB-496 reports:

- Reported Foster Care Title IV-E maintenance payments were understated during the year with payments related to children placed in childcare institutions omitted. During the year, the reported claim amounts were understated by \$2,013,257, with a federal share of \$1,029,983;
- Reported Foster Care Title IV-E administrative costs were understated on one of two sampled Foster Care Title IV-E Form CB-496 reports with a portion of allocated central office costs omitted, resulting in an understatement of \$4,465,941 in total costs, with a federal share of \$2,232,971;
- A portion of Comprehensive Child Welfare Information Systems (CCWIS) operational costs were inaccurately reported on the Foster Care Title IV-E Form CB-496 reports during the year. Certain training-related costs allocated to Foster Care Title IV-E as CCWIS costs totaling \$746,799 were misclassified and reported as training costs on the CB-496 reports. CCWIS costs have a 50 percent Federal Fund

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Participation (FFP) rate and training costs have a 75 percent FFP rate; the related federal share of CCWIS costs was understated by \$373,400 while the federal share of training costs was overstated by \$560,100, producing a net overstatement of \$186,700;

- Reported Adoption Assistance administrative and training costs were overstated during the year with costs associated with private adoption services contracts duplicated in the Adoption Assistance Form CB-496 reports. During the year, the reported claim amounts were overstated by \$1,626,308, with a federal share of \$816,619;
- Three inaccurate prior quarter adjustments were identified on one of two sampled Foster Care Title IV-E Form CB-496 reports. In two instances, the prior quarter adjustments included amounts previously reported. In one of the instances, the inaccurate prior quarter adjustment resulted in an overstatement of prior period administrative costs of \$6,752,374 with a federal share of \$3,376,187. In the other instance, the inaccurate prior quarter adjustment resulted in an overstatement of prior period training costs of \$390,055 with a federal share of \$292,541. The third prior quarter adjustment was reported for an incorrect amount. In this case, the inaccuracy resulted in an understatement of prior period administrative costs of \$458,100, with a federal share of \$229,050;
- Three inaccurate prior quarter adjustments were identified on one of two sampled Adoption Assistance Form CB-496 reports. In each case, prior quarter adjustments included amounts previously reported. Combined, the errors resulted in an overstatement of training costs of \$494,636, with a federal share of \$370,977;
- Reporting of the number of children associated with Tribal-State Title IV-E agreements was omitted in error on both sampled Foster Care Title IV-E Form CB-496 reports and misclassified on both sampled Adoption Assistance Form CB-496 reports; and
- The methodology used to allocate portions of Title IV-E-related local agency administrative costs between Foster Care Title IV-E and Adoption Assistance on the Form CB-496 reports was not adequately supported to demonstrate an equitable distribution of costs reflective of the individual program activities. For the year, the reported amount for these costs across both programs was \$69,001,880, with \$56,531,705 allocated to Foster Care Title IV-E and \$12,470,175 allocated to Adoption Assistance. The reported federal share of these costs totaled \$34,812,739, with \$28,439,193 allocated to Foster Care Title IV-E and \$6,373,546 allocated to Adoption Assistance.

The following was identified during review of Part 4 of Form CB-496 report:

- A portion of prior year expenditures were reported based on the State fiscal year ending June 30 rather than the federal fiscal year ending September 30. As a result, the reported cumulative adoption savings expenditures were overstated by \$2,564,879.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Questioned Costs: \$36,533,425 related to Foster Care Title IV-E
\$7,561,142 related to Adoption Assistance

Program	Understated Expenditures	Overstated Expenditures	Unequitable Distribution of Expenditures	Total Questioned Costs
Foster Care Title IV-E	\$ 3,865,404	\$ 4,228,828	\$ 28,439,193	\$ 36,533,425
Adoption Assistance	-	1,187,596	6,373,546	7,561,142

The known questioned costs were determined by the total federal share of the identified costs overstated, understated, and distributed based on an unequitable distribution on Form CB-496 reports.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

The information reported on Form CB-496 reports is used by the ACF to award funds, determine the allowability of reported expenditures, and to provide reports to the United States Congress. Accurate and timely reporting is necessary to ensure that the resulting grant funds received by the State allow for proper oversight.

For the two quarters sampled, costs submitted on Form CB-496 reports and the annual Part 4 of Form CB-496 report totaled \$68,703,605 for Foster Care Title IV-E and \$67,133,959 for Adoption Assistance, with a federal share of costs of \$35,725,265 and \$35,252,988, respectively. For fiscal year 2025, costs submitted on Form CB-496 reports totaled \$148,427,901 for Foster Care Title IV-E and \$133,388,998 for Adoption Assistance, with a federal share of costs of \$78,542,468 and \$71,206,999, respectively.

The instances noted above were based on a sample of two quarterly CB-496 reports and the annual Part 4 of Form CB-496 report based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*, as well as other instances identified on reports submitted during the fiscal year.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are not in compliance with reporting requirements. Misstatements in the submission of federal program costs on Form CB-496 reports can impair program oversight and can result in the grantee receiving either more or less federal funding than allowed based on the actual underlying activity.

Cause: The Minnesota Department of Human Services' and the Minnesota Department of Children, Youth, and Families' controls over preparation of Form CB-496 reports were not sufficient to identify the misstatements and provide sufficient support for all claims and allocations.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families submit the necessary prior quarter adjustments or amendments for the identified misstatements; continue to develop review procedures to ensure that submitted Form CB-496 reports are accurate and complete; and review and correct the allocation of reported local agency administrative costs between Title IV-E programs.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-011 Subrecipient Monitoring – Risk Assessment and Monitoring Procedures

Prior Year Finding Number: 2024-008

Year of Finding Origination: 2021

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services

93.053 Nutrition Services Incentive Program

93.558 Temporary Assistance for Needy Families

Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2401MNOASS-04	2024
93.044	2501MNOASS-01	2025
93.044 COVID-19	2101MNSSC6-04	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM	2022
93.045	2301MNOAHD	2023
93.045	2401MNOACM-04, 2501MNOAHD-05	2024
93.045	2501MNOACM, 2501MNOAHD-01	2025
93.045 COVID-19	2101MNCMC6-06, 21001MNHDC6-06	2021
93.053	2301MNOANS-02	2023
93.053	2401MNOANS-03	2024
93.053	2501MNOANS-00	2025
93.558	2301MNTANF	2023
93.558	2401MNTANF	2024
93.558	2501MNTANF	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* § 200.332 includes requirements such as evaluating the subrecipient’s risk of noncompliance with a subaward; monitoring the activities of subrecipients as necessary to ensure compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and verifying the subrecipient is audited, if required.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Condition: The following exceptions were noted during testing for subrecipient monitoring:

- The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families did not perform formal risk assessments on subrecipients nor document the response to risk assessments for all Aging Cluster subrecipients and nine out of nine Temporary Assistance for Needy Families (TANF) subrecipients tested;
- The Minnesota Department of Human Services did not perform adequate monitoring activities for a subrecipient that did not have their audit completed as required; and
- The Minnesota Department of Health did not review one TANF subrecipient's single audit report submitted to the Federal Audit Clearinghouse.

Questioned Costs: \$24,834,821 related to Aging Cluster
\$94,508,471 related to Temporary Assistance to Needy Families

The known questioned costs were determined by the amounts provided to subrecipients reported on the Schedule of Expenditures of Federal Awards.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administering the federal programs listed above. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of these federal programs and will be responsible for the administration of them starting July 1, 2025.

The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families provide funding to local agencies that have statutory responsibilities to administer federal programs. TANF funds were awarded to the Minnesota Department of Human Services, which allocated a portion of the funds to the Minnesota Department of Health to be expended.

The sample sizes were based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are not meeting federal regulations pertaining to subrecipient monitoring. Also, the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families cannot be assured that their subrecipients are administering federal awards in compliance with all applicable federal requirements.

Cause: The Minnesota Department of Human Services informed us that they consider that risk assessments and limited monitoring procedures have been performed over local agencies, other organizations, and tribes because they interact with these entities numerous times throughout the year. In addition, the Minnesota Department of Human Services does not have a policy for monitoring reports not completed within the required timeframe. The Minnesota Department of Health informed us that they implemented new procedures, but the entity was overlooked.

Recommendation: We recommend the Minnesota Department of Human Services; the Minnesota Department of Children, Youth, and Families; and the Minnesota Department of Health implement and document risk assessments and further monitoring procedures over subrecipients.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-012 Reporting – Reports and Supplemental Form (SF-425)

Prior Year Finding Number: 2024-012

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services

Award Number and Year:

Assistance Listing Number	Award Number	Year
93.044	2401MNOASS-04	2024
93.044 COVID-19	2101MNSSC6-04	2021
93.044 COVID-19	2201MNSTPH	2022
93.045	2201MNOACM	2022
93.045	2301MNOAHD	2023
93.045	2401MNOACHM-04, 2401MNOAHD-05	2024
93.045 COVID-19	2101MNCMC6-06, 2101MNHDC6-06	2021

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The program requires SF-425 and Supplemental Form reports to be submitted. Title 2 U.S. *Code of Federal Regulations* § 200.302 requires the State’s financial management systems to be sufficient to permit the preparation of reports required by general and program-specific terms and conditions and the tracking of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The following exceptions were noted in a sample of three SF-425 and Supplemental Form reports tested:

- In two reports, the amount reported as recipient share of expenditures was either incorrectly reported as zero or adequate support was not available; and
- In two reports, the amount reported as the federal share of expenditures was incorrect.

Questioned Costs: \$4,657,099; known questioned costs were determined by the federal share of expenditures reported on the two SF-425 Annual Reports tested with exceptions.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Context: The SF-425 and Supplemental Form reports are used to report the financial status of grant and cooperative agreement funds and cash transactions using those funds; these reports are submitted as semi-annual, annual, and final reports for each Title III Older Americans Act award open during the applicable reporting period, including the awards of the Aging Cluster.

The population consisted of six SF-425 and Supplemental Form reports submitted during the fiscal year ending June 30, 2025; the sample size was three reports with a total of \$6,394,099 in the federal share of expenditures reported. The sample sizes were based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with SF-425 and Supplemental Form reporting requirements.

Cause: The Minnesota Department of Human Services informed us that this resulted from staff turnover and lack of documentation of reported amounts by grant award year.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure that submitted SF-425 and Supplemental Form reports are accurate and complete. In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-013 **Reporting – Certification of Maintenance of Effort**

Prior Year Finding Number: 2024-013

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

Award Number and Year: 2301MNOAHD, 2023

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 45 U.S. *Code of Federal Regulations* § 1321.9(c)(2)(vi) states that each fiscal year, the state agency, to meet the required non-federal share applicable to its allotment under this part, shall spend under the State Plan for both services and administration at least the average amount of state funds it spent under the plan for the previous three fiscal years. This is reported on the OMB Certification of Maintenance of Effort OMB 0985-0009 Form.

Condition: The level of effort on the OMB Certification of Maintenance of Effort OMB 0985-0009 Form was understated by \$70,802.

Questioned Costs: None.

Context: The OMB Certification of Maintenance of Effort OMB 0985-0009 Form is an annual form used to verify the State of Minnesota is meeting the minimum levels of support to the Aging Cluster programs. The form was accepted by the Administration for Community Living.

Effect: The Minnesota Department of Human Services is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 1321.9(c)(2)(vi) for reporting requirements.

Cause: The Minnesota Department of Human Services informed us improvements were still being implemented to the maintenance of effort tracking file after staff turnover.

Recommendation: We recommend the Minnesota Department of Human Services develop procedures to ensure the accuracy in the information reported on OMB Certification of Maintenance of Effort OMB 0985-0009 is in accordance with Title 45 U.S. *Code of Federal Regulations* § 1321.9(c)(2)(vi). In addition, we recommend the Minnesota Department of Human Services work with the federal government on how best to correct reporting.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-014 **Temporary Assistance for Needy Families Eligibility – MAXIS**

Prior Year Finding Number: 2024-014

Year of Finding Origination: 2014

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.558 Temporary Assistance for Needy Families

Award Number and Year:

Award Number	Year
1901MNTANF	2019
2001MNTANF	2020
2101MNTANF, 2101MNTANFC6	2021
2201MNTANF	2022
2301MNTANF	2023
2401MNTANF	2024
2501MNTANF	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S.C. § 602(a)(1)(B)(iii) requires each state to create a written document that shall set forth the objective criteria for the delivery of benefits and the determination of eligibility. The Minnesota Department of Human Services’ State Plan for Temporary Assistance for Needy Families (TANF) and Minn. Stat. § 142G.10, subd. 1 (previously Minn. Stat. § 256J.10), establishes the general eligibility requirements for TANF benefits.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The sample of cases reviewed by the Minnesota Department of Children, Youth, and Families Program Compliance and Audits noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted recipients received benefits for incorrect amounts (over- and under-issuance of benefits) as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Questioned Costs: \$79,568; known questioned costs were determined by the benefit payments that contained either an over- or underpayment for the cases tested for the benefit month reviewed by the Minnesota Department of Children, Youth, and Families Program Compliance and Audits but do not take into consideration the possible impact on additional benefit months.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

The Minnesota Department of Children, Youth, and Families Program Compliance and Audits performs case reviews over a sample of MAXIS cases annually to monitor compliance with grant requirements for eligibility. The Minnesota Department of Children, Youth, and Families Program Compliance and Audits reviewed a sample of 280 cases from a total of 167,344 cases for TANF participant eligibility and noted errors or issues in 159 cases. The Minnesota Department of Children, Youth, and Families Program Compliance and Audits sent corrective action plans to local agencies who were able to update case file information, which reduced the errors or issues to 133 cases. The Minnesota Department of Children, Youth, and Families is required to remit the overpayments to the U.S. Department of Health and Human Services.

During the fiscal year, \$106,956,171 in benefits was provided to program participants.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are not in compliance with its State Plan for TANF and Minn. Stat. § 142G.10, subd. 1 (previously Minn. Stat. § 256J.10). In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount.

Cause: The Minnesota Department of Children, Youth, and Families informed us that errors occurred due to staff turnover at the local level, local level staff confusing requirements between the multiple programs they work on, and the large amount of data input into MAXIS to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families review MAXIS and implement more notification prompts for potential issues, such as outdated or expired information, and implement automated verifications as much as possible. In addition, we recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families continue to work with local agencies to improve controls at the local level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-015 Special Tests and Provisions – Child Support Non-Cooperation

Prior Year Finding Number: 2024-015

Year of Finding Origination: 2015

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.558 Temporary Assistance for Needy Families

Award Number and Year:

Award Number	Year
1901MNTANF	2019
2001MNTANF	2020
2101MNTANF, 2101MNTANFC6	2021
2201MNTANF	2022
2301MNTANF	2023
2401MNTANF	2024
2501MNTANF	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. Code of Federal Regulations § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 45 U.S. Code of Federal Regulations § 264.30 states:

“What procedures exist to ensure cooperation with the child support enforcement requirements?”

- (a) (1) The State agency must refer all appropriate individuals in the family of a child, for whom paternity has not been established or for whom a child support order needs to be established, modified, or enforced, to the child support enforcement agency (i.e., the IV-D agency).
- (2) Referred individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child.
- (b) If the IV-D agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State agency responsible for making good cause determinations in accordance with section 454(29) of the Act or for a good cause domestic violence waiver granted in accordance with § 260.52 of this chapter, then the IV-D agency must notify the IV-A agency promptly.
- (c) The IV-A agency must then take appropriate action by:
 - (1) Deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

(2) Denying the family any assistance under the program.”

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. In a sample of 40 cases tested, 13 cases had identified errors related to improper reduction of benefits or improper timing of reduced benefits for cases in non-cooperation status.

Questioned Costs: \$2,972; known questioned costs were calculated as the sum of the identified errors related to improper reduction of benefits or improper timing of reduced benefits for the month selected for testing.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

Child support non-cooperation is determined at the local level, and the Providing Resources to Improve Support in Minnesota (PRISM) system maintains the information and recipient status. When the Child Support Officer (CSO) at the local level updates PRISM to show non-cooperation, it interfaces with MAXIS. From this interface, MAXIS receives a Worker’s Daily Report (DAIL) message which notifies local agencies of child support non-cooperation. Local agencies are responsible for updating the recipient’s record in MAXIS, including entering child support sanctions or closing a case on the seventh occurrence of noncompliance. The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are responsible for benefit payments.

The population consisted of 1,214 MAXIS cases in non-cooperation status; the sample size was 40 case files. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are not in compliance with Title 45 U.S. *Code of Federal Regulations* § 264.30. Benefit overpayments may occur when child support non-cooperation is not properly processed for a benefit month.

Cause: The Minnesota Department of Children, Youth, and Families informed us that errors occur due to staff turnover at the local level, local level staff working on multiple programs with different requirements, and the large amount of data input into MAXIS to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families review their guidance for child support non-cooperation to ensure local agencies are properly reducing benefits in MAXIS.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-016 Special Tests and Provisions – Income and Eligibility Verification System

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.558 Temporary Assistance for Needy Families

Award Number and Year:

Award Number	Year
1901MNTANF	2019
2001MNTANF	2020
2101MNTANF, 2101MNTANFC6	2021
2201MNTANF	2022
2301MNTANF	2023
2401MNTANF	2024
2501MNTANF	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* § 200.334 states the recipient and subrecipient must retain all federal award records for three years from the date of submission of their final financial report. Records to be retained include but are not limited to financial records, supporting documentation, and statistical records.

Title 45 U.S. *Code of Federal Regulations* § 205.55 mandates that for plans under certain titles of the Social Security Act, the State must use the Income and Eligibility Verification System (IEVS) required by Section 1137 of the Social Security Act to request and obtain income and eligibility information. Specifically, the State is required to request and obtain wage information from the State Wage Information Collection Agency (SWICA), unemployment compensation information from the State’s unemployment compensation program, all available information maintained by the Social Security Administration, unearned income information from the Internal Revenue Service, and any income or other information affecting eligibility available from agencies in the State.

The Combined Manual IEVS Match Type and Frequency (0010.24.03) indicates the Beneficiary Earnings Exchange Record (BEER) and Unverified Unearned Income (UNVI) should be generated monthly, and the Unemployment Compensation (UBEN) should be generated twice a month.

Condition: For fiscal year 2025, BEER, UNVI, and UBEN IEVS Match reports were not generated according to the frequency indicated in the Combined Manual. In addition, in a sample of five UBEN reports, documentation for two UBEN Match reports could not be provided.

Questioned Costs: None.

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Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

Minnesota IT Services noted the Minnesota Department of Children, Youth, and Families submitted a business request on generating the BEER and UNVI reports but was unable to provide documentation to support the reports were completed as required by the Combined Manual. In addition, the UBEN Match reports were unavailable due to retention limitations.

Report frequency requirements prescribe that 12 BEER reports, 11 UNVI reports, and 24 UBEN Match reports are generated for the fiscal year. The actual reports generated consisted of two BEER, six UNVI, and 21 UBEN Match reports. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families are not in compliance with Title 2 U.S. *Code of Federal Regulations* § 200.334 and Title 45 U.S. *Code of Federal Regulations* § 205.55.

Cause: The Minnesota Department of Children, Youth, and Families and Minnesota IT Services informed us documentation could not be provided due to the email retention period.

Recommendation: We recommend the Minnesota Department of Human Services; the Minnesota Department of Children, Youth, and Families; and Minnesota IT Services generate IEVS Match reports according to the Combined Manual and maintain documentation to support procedures per Title 2 U.S. *Code of Federal Regulations* § 200.334.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-017 **Child Care and Development Fund (CCDF) Eligibility – MEC²**

Prior Year Finding Number: 2024-017

Year of Finding Origination: 2018

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Programs: 93.575 Child Care and Development Block Grant

93.575 COVID-19 – Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Award Number and Year:

Award Number	Year
2101MNCCDF	2021
2201MNCCDF	2022
2301MNCCDF	2023
2401MNCCDF	2024
2501MNCCDF	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 45 U.S. *Code of Federal Regulations* § 98.11 states that the lead agency shall ensure that all state and local or non-governmental agencies through which the State administers the program, including agencies and contractors that determine individual eligibility, operate according to the rules established for the program.

Condition: The Minnesota Department of Human Services maintains the computer system, MEC², which is used by local agencies to support the eligibility determination process. The sample of the cases reviewed by the Minnesota Department of Children, Youth, and Families Program Compliance and Audits noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received benefits for incorrect amounts as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month. Benefits paid represent payment to childcare providers for childcare services.

Questioned Costs: \$38,251; known questioned costs were determined by the benefit payments that contained either an over- or underpayment, for the cases tested in the benefit month reviewed by the Minnesota Department of Children, Youth, and Families Program Compliance and Audits but do not take into consideration the possible impact on additional benefit months.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

The Minnesota Department of Children, Youth, and Families Program Compliance and Audits performs case reviews over a sample of cases annually to monitor compliance with grant requirements for eligibility. The Minnesota Department of Children, Youth, and Families Program Compliance and Audits reviewed a sample of 276 MEC² cases for CCDF participant eligibility and noted errors or issues in 130 MEC² cases. The Minnesota Department of Children, Youth, and Families sent corrective action plans to local agencies in all instances where errors were noted. For this process to be effective, the Minnesota Department of Children, Youth, and Families Program Compliance and Audits relies on local agencies to implement procedures and controls over eligibility determinations. The Minnesota Department of Children, Youth, and Families is required to remit the overpayments to the U.S. Department of Health and Human Services.

During fiscal year 2025, there were 23,244 active CCDF cases and approximately \$220,000,000 paid in benefits.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families is not in compliance with Title 45 U.S. *Code of Federal Regulations* § 98.11. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount.

Cause: The Minnesota Department of Children, Youth, and Families informed us that errors occurred due to staff turnover at the local level, local level staff confusing requirements between the multiple programs they work on, and the large amount of data input into MEC² to determine eligibility.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families review MEC² to develop system requirements which could include income calculations and authorized hours based on data entry. In addition, we recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families implement additional notification prompts for potential issues, such as incomplete applications and outdated or expired information, and implement automated verifications as much as possible. Furthermore, we recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families continue to work with local agencies to improve controls at the local level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-018 **Foster Care Title IV-E Subrecipient Monitoring**

Prior Year Finding Number: 2024-018

Year of Finding Origination: 2022

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.658 Foster Care Title IV-E

Award Number and Year:

Award Number	Year
2401MNFOST	2024
2501MNFOST	2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 2 U.S. *Code of Federal Regulations* § 200.332 includes requirements such as evaluating the subrecipient’s risk of noncompliance with a subaward; and monitoring of the activities of subrecipients as necessary to ensure compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

These requirements have been adopted by the U.S. Department of Health and Human Services and are established specifically for U.S. Department of Health and Human Services awards in Title 45 U.S. *Code of Federal Regulations* §§ 75.303 and 75.352.

Condition: In a sample of ten subrecipients tested, it was noted that the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families did not complete risk evaluations for nine local agencies of the Foster Care Title IV-E program or complete adequate monitoring of Foster Care program case files of those nine local agencies being administered by the subrecipients. In the sample, the Minnesota Department of Children, Youth, and Families completed case file reviews for three of the subrecipients during the audit period.

Questioned Costs: \$2,019,964; known questioned costs were determined by the amounts provided to local agencies and tribe subrecipients tested not adequately monitored.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

Completion of risk evaluations is a component of subrecipient monitoring to be performed for the purpose of determining appropriate monitoring procedures and, subsequently, to make informed judgments regarding the subrecipients’ adequacy of administering the program.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

The Minnesota Department of Human Services' and the Minnesota Department of Children, Youth, and Families' records indicate that case file reviews were performed for 33 of 82 subrecipients for the audit period.

During fiscal year 2025, the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families paid \$67,675,117 to 82 subrecipients. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families is not in compliance with Title 2 U.S. *Code of Federal Regulations* § 200.332 and Title 45 U.S. *Code of Federal Regulations* §§ 75.303 and 75.352.

Cause: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families informed us that a process had not been developed for completing documented risk evaluations for these subrecipients. In addition, the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families indicated the number of case file reviews performed were limited by the number of trained staff available to perform reviews.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families complete documented risk evaluations and further monitoring procedures over subrecipients.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-019 **Special Tests and Provisions – Maintenance Payment Rate Setting**

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.658 Foster Care Title IV-E

Award Number and Year: 2501MNFOST, 2025

State Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

In conjunction with administration of the State of Minnesota’s Title IV-E plan under Title 45 U.S. *Code of Federal Regulations* §§ 1356.20 and 1356.21, Minn. Stat. § 142A.609, subd. 8 (previously Minn. Stat. § 256N.26, subd. 9), requires that the annual revision to maintenance payment rates not increase rates by more than three percent.

Condition: In the annual revision of the maintenance payment rates for the year ending June 30, 2025, the Northstar Care Basic rates were increased by more than three percent.

Questioned Costs: \$142,358; known questioned costs were determined by the amount of excess maintenance payment funding received and were determined by recalculating the federal share of maintenance payments issued during fiscal year 2025 using rates limited to a three percent increase over the prior year.

Context: For fiscal year 2025, the Minnesota Department of Human Services was responsible for administration of the federal program. Beginning July 1, 2024, the Minnesota Department of Children, Youth, and Families was provided oversight of the federal program and will be responsible for the administration of the federal program starting July 1, 2025.

Foster Care Title IV-E maintenance payments are payments made to foster care providers to cover the regular costs of caring for a child including food, clothing, shelter, daily supervision, school supplies, transportation, and other costs. Under the Northstar Care for Children program, the State of Minnesota employs a two-part maintenance payments structure which includes a Basic and Supplemental rate.

Varying by the three age categories used for the Northstar Care Basic rates, revised rates for the year ending June 30, 2025, represented increases of 4.65 percent (Birth to 5 years old), 4.62 percent (6 to 12 years old), and 4.69 percent (13 to 20 years old) over the prior year. Northstar Care Supplemental rates were limited to an increase of 3.00 percent over the prior year.

For fiscal year 2025, Foster Care Title IV-E maintenance payments based on the Northstar Care Basic maintenance payment rates totaled \$15,042,120.

Effect: The revised Northstar Care Basic maintenance payment rates were not in compliance with Minn. Stat. § 142A.609, subd. 8 (previously Minn. Stat. § 256N.26, subd. 9), for the year ending June 30, 2025. Related

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

payments made during this period were greater than allowed. If limited to a three percent increase, the reduction in total foster care maintenance payments for the year would be \$254,811 and a reduction in related federal funding claimed of \$142,358.

Cause: The Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families informed us that the spreadsheet used to calculate the revised rates contained formula errors that were overlooked in review.

Recommendation: We recommend the Minnesota Department of Human Services and the Minnesota Department of Children, Youth, and Families develop and implement review procedures necessary to ensure that the annual revision of maintenance payment rates is in compliance with Minn. Stat. § 142A.609, subd. 8.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-020 **Children’s Health Insurance Program Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – MAXIS**

Prior Year Finding Number: 2024-019

Year of Finding Origination: 2023

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.767 Children’s Health Insurance Program

Award Number and Year:

Award Number	Year
2305MN5021	2023
2405MN3002	2024
2505MN5021	2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* § 438.3 states that capitation payments may only be made by the State and retained by the managed care organizations (MCO), Prepaid Inpatient Health Plan (PIHP), or Prepaid Ambulatory Health Plan (PAHP) for Medicaid-eligible enrollees.

Title 42 U.S. *Code of Federal Regulations* § 457.380 requires the state agency to determine and verify eligibility of enrollees for the Children’s Health Insurance Program (CHIP). In addition, Title 42 U.S. *Code of Federal Regulations* § 457.340(d) and Minnesota Rule 9505.0090 require the State to make timely eligibility determinations.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 21 recipients’ case files tested:

- One recipient’s case file had documentation of other health insurance, resulting in ineligibility; and
- Two pregnant recipients’ case files were not processed within the required 15 working days.

Questioned Costs: \$17,412; known questioned costs were determined by recalculating the federal share of capitation payments made during fiscal year 2025 on behalf of the ineligible recipient.

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies perform the “intake function” needed for this program, while the Minnesota Department of Human Services is responsible for review of the recipients’ case files, including verifying the information in MAXIS is current and agrees with documentation on file. The Minnesota Department of Human Services is responsible for benefit payments.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Capitation payment testing is considered for all recipients that are tested for eligibility.

During fiscal year 2025, the State of Minnesota determined 87 recipients' eligibility through the MAXIS system. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* §§ 438.3, 457.340, and 457.380 and Minnesota Rule 9505.0090. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount. Also, MCOs received capitation payments for individuals who were not eligible.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review MAXIS and implement additional notification prompts for potential issues such as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services implement procedures to ensure applications are processed in a timely manner. Finally, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-021 **Children’s Health Insurance Program Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – METS**

Prior Year Finding Number: 2024-020

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.767 Children’s Health Insurance Program

Award Number and Year:

Award Number	Year
2305MN5021	2023
2405MN3002	2024
2505MN5021	2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* § 438.3 requires that capitation payments may only be made by the State and retained by the managed care organizations (MCO), Prepaid Inpatient Health Plan (PIHP), or Prepaid Ambulatory Health Plan (PAHP) for Medicaid-eligible enrollees.

Title 42 U.S. *Code of Federal Regulations* § 457.380 requires the state agency to determine and verify eligibility of enrollees for the Children’s Health Insurance Program (CHIP). In addition, Title 42 U.S. *Code of Federal Regulations* § 457.340(d) and Minnesota Rule 9505.0090 require the State to make timely eligibility determinations.

Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 recipients’ case files tested:

- Three recipients’ case files in which income verification could not be provided by the agency, resulting in ineligible recipients;
- Two recipients’ case files in which income verifications were obtained but not updated in METS, resulting in one ineligible recipient; and
- Two pregnant recipients’ case files were not processed within the required 15 working days. One recipient was deemed ineligible because income could not be verified, as included in the first bullet point.

Questioned Costs: \$22,464; known questioned costs were determined by recalculating the federal share of capitation payments made during fiscal year 2025 on behalf of the ineligible recipients.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies are responsible for resolving eligibility issues when prompted by the system, while the Minnesota Department of Human Services is responsible for review of the recipients' case files, including verifying the information in METS is current and agrees with documentation on file. The Minnesota Department of Human Services is also responsible for benefit payments.

Capitation payment testing is considered for all recipients that are tested for eligibility.

During fiscal year 2025, the State of Minnesota determined 7,703 recipients' eligibility through the METS system. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* §§ 438.3, 457.340, and 457.380. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount. Also, MCOs received capitation payments for individuals who were not eligible.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review METS and implement additional notification prompts for potential issues such as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-022 Grants to States for Medicaid Eligibility – MAXIS

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.778 Grants to States for Medicaid

Award Number and Year:

Award Number	Year
2305MN5MAP	2023
2405MN5MAP, 2405MN5ADM	2024
2505MN5MAP, 2505MN5ADM	2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. Code of Federal Regulations § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. Code of Federal Regulations §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. In addition, Title 42 U.S. Code of Federal Regulations §§ 435.948(b), 435.949(b), 435.952, and 435.956 require the state Medicaid agency to obtain financial and non-financial information relating to eligibility, including information related to wages and household size, to the extent that the information is available through an electronic service or request for documentation.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 recipients’ case files tested:

- Three recipients’ case files were not updated with current assets information, resulting in one ineligible recipient; and
- One recipient’s case file did not include verification of the recipient’s citizenship, resulting in ineligibility.

Questioned Costs: None.

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies perform the “intake function” needed for this program, while the Minnesota Department of Human Services is responsible for review of the recipients’ case files, including verifying the information in MAXIS is current and agrees with documentation on file. The Minnesota Department of Human Services is responsible for benefit payments.

Capitation payment testing is considered for all recipients that are tested for eligibility. No capitation payments were made on behalf of the individuals determined ineligible.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

During fiscal year 2025, the State of Minnesota determined 266,665 recipients' eligibility through the MAXIS system. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* § 435. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the agency level.

Recommendation: We recommend the Minnesota Department of Human Services review MAXIS and implement additional notification prompts for potential issues such as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the agency level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-023 **Grants to States for Medicaid Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – METS**

Prior Year Finding Number: 2024-021

Year of Finding Origination: 2024

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of Health and Human Services

Program: 93.778 Grants to States for Medicaid

Award Number and Year:

Award Number	Year
2305MN5MAP	2023
2405MN5MAP, 2405MN5ADM	2024
2505MN5MAP, 2505MN5ADM	2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. *Code of Federal Regulations* §§ 435.911 and 435.945 require the state Medicaid agency to determine and verify eligibility of enrollees in Medicaid. In addition, Title 42 U.S. *Code of Federal Regulations* §§ 435.948(b), 435.949(b), 435.952, and 435.956 require the state Medicaid agency to obtain financial and non-financial information relating to eligibility, including information related to wages and household size, to the extent that the information is available through an electronic service or request for documentation.

Title 42 U.S. *Code of Federal Regulations* § 438.3 states that capitation payments may only be made by the State and retained by the managed care organizations (MCO), Prepaid Inpatient Health Plan (PIHP), or Prepaid Ambulatory Health Plan (PAHP) for Medicaid-eligible enrollees.

Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 recipients’ case files tested:

- One recipient’s case file did not include verification of the recipient’s citizenship, resulting in ineligibility; and
- One recipient’s case file did not include a State Medical Review Team (SMRT) certification for the recipient. The recipient was eligible for Medicaid but not eligible for the waived services in which the recipient was enrolled.

Questioned Costs: \$814; known questioned costs were determined by recalculating the federal share of capitation payments issued during fiscal year 2025 on behalf of the ineligible recipient.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Context: The State of Minnesota and local agencies split the eligibility determination process. The local agencies are responsible for resolving eligibility issues when prompted by the system, while the Minnesota Department of Human Services is responsible for review of the recipients' case files, including verifying the information in METS is current and agrees with documentation on file. The Minnesota Department of Human Services is also responsible for benefit payments.

Capitation payment testing is considered for all recipients that are tested for eligibility.

During fiscal year 2025, the State of Minnesota determined 1,275,019 recipients' eligibility through the METS system. The sample size was based on guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. *Code of Federal Regulations* §§ 435 and 438. In addition, errors in eligibility-determining factors increase the risk that program participants will receive benefits when they are not eligible or program participants will receive the incorrect benefit amount. Also, managed care organizations received capitation payments for individuals who were not eligible.

Cause: The Minnesota Department of Human Services informed us that errors occurred due to staff oversight at the local agency level.

Recommendation: We recommend the Minnesota Department of Human Services review METS and implement additional notification prompts for potential issues such as missing, outdated, or expired information. In addition, we recommend the Minnesota Department of Human Services continue to work with local agencies to improve controls at the local agency level.

View of Responsible Official: Concur

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-024 Grants to States for Medicaid Special Tests and Provisions – Utilization Reviews

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.778 Grants to States for Medicaid

Award Number and Year:

Award Number	Year
2305MN5MAP	2023
2405MN5MAP, 2405MN5ADM	2024
2505MN5MAP, 2505MN5ADM	2025

State Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. Code of Federal Regulations § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Title 42 U.S. Code of Federal Regulations § 456.3 requires the state Medicaid agency to implement a statewide surveillance and utilization control program that a) safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments; b) assesses the quality of those services; c) provides for the control of the utilization of all services provided under the plan in accordance with subpart B of this part; and d) provides for the control of the utilization of inpatient services in accordance with subparts C through I of this part.

Title 42 U.S. Code of Federal Regulations § 456.4 requires the agency to monitor the statewide utilization control program; take all necessary corrective action to ensure the effectiveness of the program; establish methods and procedures to implement this section; keep copies of these methods and procedures on file; and give copies of these methods and procedures to all staff involved in carrying out the utilization control program.

Condition: The Minnesota Department of Human Services was unable to provide documentation that demonstrates the control of the utilization of inpatient services in accordance with subparts C through D of Title 42 U.S. Code of Federal Regulations § 456.

Questioned Costs: None.

Context: The Minnesota Department of Health, through an interagency agreement, performs surveys and certification services for the Minnesota Department of Human Services over certain inpatient services, including 57 non-deemed hospitals and two non-deemed psychiatric hospitals. The Minnesota Department of Human Services was unable to provide documentation supporting its monitoring of the surveys and certification services performed by the Minnesota Department of Health, or that the Minnesota Department of Health completed surveys and certification services for the non-deemed hospitals and psychiatric hospitals.

Effect: The Minnesota Department of Human Services is not in compliance with Title 42 U.S. Code of Federal Regulations part 456.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2025

Cause: The Minnesota Department of Human Services informed us they could not demonstrate clearly defined monitoring procedures over non-deemed hospitals and non-deemed psychiatric hospitals due to lack of documentation.

Recommendation: We recommend the Minnesota Department of Human Services implement procedures to monitor the surveys and certification services performed by the Minnesota Department of Health over non-deemed hospitals and psychiatric hospitals and document its review and conclusion that the Minnesota Department of Health is in compliance with Title 42 U.S. *Code of Federal Regulations* part 456.

View of Responsible Official: Acknowledge

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-025 National Student Loan Database System (NSLDS) Enrollment Reporting
(Published in CLA Report as 2025-002)

Prior Year Finding Number: 2024-027 (Published in CLA Report as 2024-001)

Year of Finding Origination: 2023

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Education

Program: Student Financial Aid Cluster

Award Number and Year: Grant award number not provided, July 1, 2024 to June 30, 2025

State Agency: Minnesota State Colleges and Universities

Criteria: The *Code of Federal Regulations*, 34 CFR 685.309 requires that enrollment status changes for students be reported to NSLDS within 15 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status. Regulations require both the enrollment level and program level effective dates to be accurate.

Condition: During our testing of 60 students, we noted one student from Central Lakes College, one student from Dakota County Technical College, one student from Minnesota North College, two students from Minnesota State University, Mankato, one student from Normandale Community College, two students from Ridgewater Community College, and two students from Rochester Community and Technical College where the change in enrollment status was not reported within 60 days. Additionally, during our testing of 60 students, we noted one student from Anoka Ramsey Community College and two students from Saint Paul College where the effective date reported on the "Enrollment Level" and "Program Level" report in NSLDS did not match.

Questioned Costs: None.

Context: During our testing, it was noted the institutions do not have a process in place to ensure the timeliness and accuracy of NSLDS reporting.

Effect: The colleges did not comply with Department of Education (ED) regulations by reporting student enrollment status changes timely and accurately.

Cause: The colleges did not have a process in place to ensure the students who graduated or withdrew were reported timely and accurately.

Recommendation: We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely and accurate reporting.

View of Responsible Official: There is no disagreement with the audit finding.

State of Minnesota

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

2025-026 **Required Reporting to Office of Inspector General**
(Published in CLA Report as 2025-003)

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Education

Program: Student Financial Aid Cluster

Award Number and Year: Grant award number not provided, July 1, 2024 to June 30, 2025

State Agency: Minnesota State Colleges and Universities

Criteria: The Regulation: 34 C.F.R. § 668.16(g) states the U.S. Department of Education requires institutions (or their third-party servicers) to report suspected fraud or criminal misconduct involving Title IV federal student aid directly to the Office of Inspector General (OIG).

Condition: During our testing, we noted that Century College properly awarded and disbursed Title IV aid based on the information available at the time. Upon later discovering that the student was fraudulent, the institution acted promptly by cancelling all remaining disbursements. There were no errors identified in the awarding or disbursement processes. However, the institution did not promptly notify the U.S. Department of Education (ED) of the suspected fraud.

Questioned Costs: None.

Context: Century College failed to promptly notify ED's Office of Inspector General (OIG) of suspected or known fraud.

Effect: Failure to promptly report suspected fraud may impede ED's ability to investigate and prevent improper use of federal funds.

Cause: The institution did not have adequate procedures in place to ensure timely reporting of suspected student fraud to ED.

Recommendation: We recommend Century College to strengthen its internal controls and establish clear procedures to ensure that all instances of suspected student fraud are reported to the U.S. Department of Education immediately upon identification, in accordance with federal regulations.

View of Responsible Official: There is no disagreement with the audit finding.



State of Minnesota
Financial and Compliance Report on Federally Assisted Programs
Agency Provided Corrective Action Plans
Fiscal Year Ended June 30, 2025

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*Acronym CLA references audit findings written by private audit firm, CliftonLarsonAllen LLP, during the audit of major programs occurring at Minnesota State Colleges and Universities.



**Representation of
Minnesota Department of Commerce**

Corrective Action Plan

For the Year Ended June 30, 2025

Finding Number: 2025-002

Finding Title: Reporting

Program: 93.423 1332 State Innovation Waivers

Name of Contact Person Responsible for Corrective Action:

Amy Trumper, Chief Financial Officer

Corrective Action Planned:

Commerce has implemented a procedure for documented review of quarterly/annual financial reports within PMS.

Anticipated Completion Date:

Completed – March 12, 2026

**Representation of the
Minnesota Department of Employment and Economic Development**

Corrective Action Plan

For the Year Ended June 30, 2025

Finding Number: 2025-001

Finding Title: Incorrect Expenditures and Amounts Provided to Subrecipients Reported on the Schedule of Expenditures of Federal Awards

Name of Contact Person Responsible for Corrective Action:

Marie Henderson, Chief Financial Officer

Corrective Action Planned:

Minnesota Department of Employment and Economic Development (DEED) will establish additional controls to ensure that all federal expenditures are correctly reported in the Schedule of Expenditures of Federal Awards. These controls will include the following:

- DEED will meet with Minnesota Management and Budget to train staff in the correct query parameters, grant coding, and proper expense reporting.
- DEED will implement more frequent monitoring of federal expenditures throughout the year, to ensure complete account coding.
- DEED will also review and document its steps for accurate completion of federal expenditures.

Anticipated Completion Date:

September 30, 2026

Finding Number: 2025-003

Finding Title: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting Program: 17.258, 17.259, 17.278 WIOA Cluster

Name of Contact Person Responsible for Corrective Action:

Marie Henderson, Chief Financial Officer

Corrective Action Planned:

Minnesota Department of Employment and Economic Development (DEED) will establish additional written procedures that will include how the expense is recorded, how to look up the expense, if it is an expense from a cost pool what the allocation method is, and where the expense documentation is stored for all expenditures. This documentation will help to protect from knowledge loss due to staff turnover.

Anticipated Completion Date:

July 1, 2026

Finding Number: 2025-004

Finding Title: Reporting – ETA-9130 Financial Reports – Errors in Reporting

Program: 17.258, 17.259, 17.278 WIOA Cluster

Name of Contact Person Responsible for Corrective Action:

Marie Henderson, Chief Financial Officer

Corrective Action Planned:

Minnesota Department of Employment and Economic Development (DEED) will implement additional controls for the financial report process. These additional controls will include:

- Creating a more detailed step-by-step guide for the completion of the federal financial reports. This guide will include how the data is pulled from the general ledger, how the data is calculated for each reporting line of the report, and how to review the data for accurate expenditures to the federal grant.
- The review process will be documented by a checklist and signoff to ensure accurate and complete reporting.

Anticipated Completion Date:

July 1, 2026

Finding Number: 2025-005

Finding Title: Reporting – ETA-9130 Financial Reports – Timeliness

Program: 17.258, 17.259, 17.278 WIOA Cluster

Name of Contact Person Responsible for Corrective Action:

Marie Henderson, Chief Financial Officer

Corrective Action Planned:

Minnesota Department of Employment and Economic Development (DEED) will implement additional controls to ensure all reports are submitted by the due dates and properly identify the reporting period. These additional controls will include:

- Establishing more formal timelines for each grant on a checklist.
- Establishing which report types (quarterly or final close) are due on the checklist.

Anticipated Completion Date:

June 30, 2026

Finding Number: 2025-006

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: 17.258, 17.259, 17.278 WIOA Cluster

Name of Contact Person Responsible for Corrective Action:

Jill Roberts, Finance and Compliance Director

Marie Henderson, Chief Financial Officer

Corrective Action Planned:

The Minnesota Department of Employment and Economic Development (DEED) was updated that the FFATA reports were due for all federal WIOA programs. Going forward, DEED will establish a procedure to ensure the FFATA reports are completed for the WIOA Cluster. The procedure will include the timeframe, review process, and sign offs.

Anticipated Completion Date:

June 30, 2026

Finding Number: 2025-007

Finding Title: Subrecipient Monitoring – Onsite Reviews

Program: 17.258, 17.259, 17.278 WIOA Cluster

Name of Contact Person Responsible for Corrective Action:

Jill Roberts, Finance and Compliance Director
Marie Henderson, Chief Financial Officer

Corrective Action Planned:

Going forward the Minnesota Department of Employment and Economic Development (DEED) will conduct the annual subrecipient monitoring reviews onsite as required.

Anticipated Completion Date:

October 30, 2026



Protecting, Maintaining and Improving the Health of All Minnesotans

Representation of Minnesota Department of Health

Corrective Action Plan

For the Year Ended June 30, 2025

Finding Number: 2025-008

Finding Title: Eligibility – Management Evaluations

Program: 10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children

Name of Contact Person Responsible for Corrective Action:

Kate Franken, State WIC Director

Corrective Action Planned:

The Department of Health special supplemental nutrition program for women, infants, and children will work with the USDA FNS to clarify the 2-year timeline for management evaluations. WIC Program staff will enhance existing review tracking tools to clearly identify the due date for all management evaluations, along with a procedure to request approval via email or state plan amendment for any deviation from the federal fiscal year schedule from USDA FNS. All management evaluations will be completed by the Department of Health within the federal fiscal year, and documentation maintained on file for why the review was not done within 2 years from the last management evaluation including any approval from USDA FNS.

Anticipated Completion Date:

June 30, 2026

**Representation of the
Minnesota Department of Human Services**

Corrective Action Plan

For the Year Ended June 30, 2025

The Department of Children, Youth, and Families (DCYF) was established as an independent entity from the Department of Human Services (DHS) on July 1, 2024 and became responsible for the oversight and administration of grants and programs transferred to DCYF by the legislature. Pursuant to an interagency agreement between the two agencies, DHS agreed to assist with the transition by operating as the temporary fiscal agent for DCYF for FY 2025.

Finding Number: 2025-001

Finding Title: Incorrect Expenditures and Amounts Provided to Subrecipients Reported on the Schedule of Expenditures of Federal Awards

Name of Contact Person Responsible for Corrective Action:

Joe Jarosz, Accounting Operations Manager, Financial Operations Division
Michael Hietpas, Financial Reporting Lead, Financial Operations Division
Bryan Adams, Finance Director, DCYF Financial Operations Division

Corrective Action Planned:

A supervisor will be required to review and approve all SEFA adjustments prior to submission to MMB. This additional control will ensure all adjustments are independently verified before finalization.

DCYF will review internal controls, including parameters used to pull data from SWIFT to prepare the SEFA, to ensure correct identification of expenditures and amounts for reporting, per 2 U.S. *Code of Federal Regulations* § 200.510 (b) and in accordance with § 200.502.

Anticipated Completion Date:

June 30, 2026

Finding Number: 2025-009

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services

93.053 Nutrition Services Incentive Program

93.558 Temporary Assistance for Needy Families

93.575 Child Care and Development Block Grant

93.658 Foster Care Title IV-E

93.767 Children’s Health Insurance Program

93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:

Jaclyn Miller, Budget Operations Manager, Financial Operations Division

Bryan Adams, Finance Director, DCYF Financial Operations Division

Corrective Action Planned:

DHS will review and gain a deeper understanding of the FFATA requirements related to the population that need to be reported, specifically the definition of subrecipients and obligation. We will adjust our procedures accordingly to ensure the full required population is included.

DHS will continue to work on the timeliness of our submissions with a goal of reporting current encumbrances within 30 days of original creation of the obligation. We will begin documenting any reason why submission was not sent timely. DHS is working with our MNIT partners on developing an upload process to sam.gov to automate part of the process.

Anticipated Completion Date:

December 31, 2026

Finding Number: 2025-010

Finding Title: Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)

Programs: 93.658 Foster Care Title IV-E

93.659 Adoption Assistance

Name of Contact Person Responsible for Corrective Action:

Bryan Adams – Finance Director, DCYF Financial Operations Division

Corrective Action Planned:

Incoming DCYF financial leadership is working through a process of analyzing past activities, documenting a DCYF procedure for filing reports, and reconciling past reports. DCYF is working to simplify reporting processes to include corrections to prior quarter adjustments and develop standard operating procedures for the CB-496 and reconciliation process.

Anticipated Completion Date:

December 31, 2027

Finding Number: 2025-011

Finding Title: Subrecipient Monitoring – Risk Assessment and Monitoring Procedures

Program: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services

93.053 Nutrition Services Incentive Program

93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director, Minnesota Board on Aging; and Director, Aging and Adult Services Division
Jacqueline Peichel, Live Well at Home Manager, Aging and Adult Services Division
Pamela McCauley, MFIP/TANF Manager, DCYF Economic Assistance and Employment Support Division

Corrective Action Planned:

While the Minnesota Board on Aging (MBA) is in compliance with the Minnesota Office of Grants Management policy [08-06: Pre-award Risk Assessment of Potential Grantees](#), MBA recognizes that it is not currently in compliance with 2 CFR 200. To address this oversight, MBA will conduct the required risk assessments of area agencies on aging during annual site visits in calendar year 2026.

In September 2025, MBA staff provided customized pre-award risk assessment (PARA) training for seven Area Agencies on Aging. PARAs and contracts are now uploaded to the MBA Grant Utility software platform annually and reviewed by MBA staff. MBA policies for monitoring the Area Agencies on Aging were updated as were policies clarifying the requirement that Area Agencies on Aging monitor their grant recipients. Policies were approved by Minnesota Board on Aging and Administration for Community Living (ACL) July 2025 and implemented October 1, 2025.

The Department of Children, Youth and Families (DCYF) will develop a plan to conduct risk assessments and review local partners (counties/tribes) current practices to identify gaps in processes.

DCYF will ensure risks identified are monitored and documented to mitigate risk. A subrecipient monitoring plan will be developed to ensure local partners are visited at a regular cadence. DCYF will continue to maintain close partnerships with subrecipients to ensure process gaps are proactively identified and remediated promptly to comply with 2 CFR 200.

Anticipated Completion Date

December 31, 2026

Finding Number: 2025-012

Finding Title: Reporting – Reports and Supplemental Form (SF-425)

Programs: 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director, Minnesota Board on Aging; and Director, Aging and Adult Services Division
Mary Olsen Baker, Manager of the Quality Assurance and Improvement Team and fiscal manager for MN Board of Aging

Corrective Action Planned:

The Minnesota Board on Aging (MBA) sought technical assistance (TA) from Federal partner, Administration on Community Living, on reporting of SF-425. MBA has not yet completed the planned improvements but has made progress. MBA is also seeking TA from Minnesota Management and Budget, and meetings are in progress.

Anticipated Completion Date:

June 30, 2026

Finding Number: 2025-013

Finding Title: Reporting – Certification of Maintenance of Effort

Program: 93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

Name of Contact Person Responsible for Corrective Action:

Reena Shetty, Executive Director, Minnesota Board on Aging; and Director, Aging and Adult Services Division
Mary Olsen Baker, Manager of the Quality Assurance and Improvement Team and fiscal manager for MN Board of Aging

Corrective Action Planned:

The Minnesota Board on Aging has revised its process for calculating the Maintenance of Effort (MOE) and has resubmitted the revised calculation to the Administration for Community Living (ACL). ACL accepted and approved the MBA's certification of the MOE.

Anticipated Completion Date:

January 26, 2026

Finding Number: 2025-014

Finding Title: Temporary Assistance for Needy Families Eligibility – MAXIS

Program: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Pamela McCauley – MFIP/TANF Program Manager, Economic Assistance & Employment Supports Division
MAXIS/MEC2 Systems Governance Group

Corrective Action Planned:

TANF Program Division will continue partnership with MAXIS/MEC2 Systems Governance Group to improve processes relating to verification and simplifying requests for eligibility. TANF and Systems Governance Group will focus implementation on improving eligibility processes, reducing errors, while prioritizing MAXIS updates and streamline applications and benefit approvals.

Anticipated Completion Date:

December 31, 2028

Finding Number: 2025-015

Finding Title: Special Tests and Provisions – Child Support Non-Cooperation

Program: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Pamela McCauley, MFIP/TANF Program Manager, Economic Assistance & Employment Supports Division

Corrective Action Planned:

TANF Division will begin implementation of sanction reform, sanction amounts, and develop policy on imposing sanctions to reduce inconsistencies in sanction amounts, streamlining pre-60 and post-60-month sanctions, and ensure sanctions can be removed promptly upon meeting compliance from TANF recipients. Sanction reform policy will also be implemented in the MAXIS system, anticipating in December 2026.

Anticipated Completion Date:

December 31, 2026 – MAXIS System implementation
April 30, 2026 – Sanction Reform Policies and Guidance

Finding Number: 2025-016

Finding Title: Special Tests and Provisions – Income and Eligibility Verification System

Program: 93.558 Temporary Assistance for Needy Families

Name of Contact Person Responsible for Corrective Action:

Pamela McCauley – MFIP/TANF Program Manager, Economic Assistance & Employment Supports Division

Corrective Action Planned:

In 2025, there were system issues accessing the data. Economic Assistance and Employment Supports have secured a new vendor called Mobius who focuses on the IEVS reports. Assigned personnel will continue running

income reports. DCYF staff will also maintain the report documentation in compliance with 2 U.S. *Code of Federal Regulations* § 200.334. Guidance has been issued to the counties and Tribes on how to utilize the reports.

Anticipated Completion Date:

August 1, 2025

Finding Number: 2025-017

Finding Title: Child Care and Development Fund (CCDF) Eligibility – MEC²

Programs: 93.575 Child Care and Development Block Grant

93.575 COVID-19 – Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Name of Contact Person Responsible for Corrective Action:

Cindi Yang, Director, Child Care Services Division

Corrective Action Planned:

DCYF will continue to review and update tools available to Child Care Assistance Program (CCAP) agencies, focusing on correct methods for calculating income, copayments, and authorized hours. Additionally, the agency will continue doing outreach and training with the counties, ensuring that efforts to make policy area changes are tied to repetitive error rates found in the audits department.

Anticipated Completion Date:

December 31, 2026

Finding Number: 2025-018

Finding Title: Foster Care Title IV-E Subrecipient Monitoring

Program: 93.658 Foster Care Title IV-E

Name of Contact Person Responsible for Corrective Action:

Marvin Davis – Deputy Director, Child Safety and Permanency

Corrective Action Planned:

Title IV-E Subrecipient Continuous Monitoring Plan has been implemented to evaluate local agency performance to increase oversight on a regular cadence with statewide coverage. DCYF completed efforts to improve internal controls and will continue ongoing evaluation of program effectiveness.

Anticipated Completion Date:

December 31, 2028

Finding Number: 2025-019

Finding Title: Special Tests and Provisions – Maintenance Payment Rate Setting

Program: 93.658 Foster Care Title IV-E

Name of Contact Person Responsible for Corrective Action:

Bryan Adams – Finance Director, DCYF Financial Operations Division

Corrective Action Planned:

DCYF has implemented a new standard operating procedure and internal control tool to ensure the annual rate revision complies with Minn. Stat. § 142A.609, subd. 8. Implementation started for the 2026 rate year. DCYF Finance division will continue to monitor ongoing compliance with requirements and will proactively bridge any identified risk gaps.

Anticipated Completion Date:

July 1, 2025

Finding Number: 2025-020

Finding Title: Children’s Health Insurance Program Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – MAXIS

Program: 93.767 Children’s Health Insurance Program

Name of Contact Person Responsible for Corrective Action:

Karen Gibson, Health Care Eligibility and Access Director
Jen Gerber, Health Eligibility Operations, Partner Relations Manager

Corrective Action Planned:

To strengthen controls at the local level and improve accuracy in program eligibility determinations, DHS will expand outreach to county and tribal processing agencies to reinforce expectations, provide guidance, and offer ongoing support. DHS will conduct targeted training focused on areas where errors have been identified, ensuring that education and resources are updated regularly to reflect policy changes and error prone areas. DHS will also continue to review and enhance the tools and processes used to determine eligibility, ensuring that improvements are designed to increase accuracy. Emphasis will be placed on supporting processing agencies in conducting regular internal accuracy reviews, particularly in primary areas of concern. To further assist processing agencies, DHS will pursue the use of reporting and data review to identify trends and guide improvements in program eligibility determinations.

To support implementation and oversight, DHS has established a corrective action planning team that meets bi-weekly to discuss identified issues, monitor progress, and ensure corrective actions are completed.

Anticipated Completion Date:

January 1, 2027

Finding Number: 2025-021

Finding Title: Children's Health Insurance Program Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – METS

Program: 93.767 Children's Health Insurance Program

Name of Contact Person Responsible for Corrective Action:

Karen Gibson, Health Care Eligibility and Access Director
Jen Gerber, Health Eligibility Operations, Partner Relations Manager

Corrective Action Planned:

To strengthen controls at the local level and improve accuracy in program eligibility determinations, DHS will expand outreach to county and tribal processing agencies to reinforce expectations, provide guidance, and offer ongoing support. DHS will conduct targeted training focused on areas where errors have been identified, ensuring that education and resources are updated regularly to reflect policy changes and error prone areas. DHS will also continue to review and enhance the tools and processes used to determine eligibility, ensuring that improvements are designed to increase accuracy. Emphasis will be placed on supporting processing agencies in conducting regular internal accuracy reviews, particularly in primary areas of concern. To further assist processing agencies, DHS will pursue the use of reporting and data review to identify trends and guide improvements in program eligibility determinations.

To support implementation and oversight, DHS has established a corrective action planning team that meets bi-weekly to discuss identified issues, monitor progress, and ensure corrective actions are completed.

Anticipated Completion Date:

January 1, 2027

Finding Number: 2025-022

Finding Title: Grants to States for Medicaid Eligibility – MAXIS

Program: 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:

Karen Gibson, Health Care Eligibility and Access Director
Jen Gerber, Health Eligibility Operations, Partner Relations Manager

Corrective Action Planned:

To strengthen controls at the local level and improve accuracy in program eligibility determinations, DHS will expand outreach to county and tribal processing agencies to reinforce expectations, provide guidance, and offer ongoing support. DHS will conduct targeted training focused on areas where errors have been identified, ensuring that education and resources are updated regularly to reflect policy changes and error prone areas. DHS will also continue to review and enhance the tools and processes used to determine eligibility, ensuring that improvements are designed to increase accuracy. Emphasis will be placed on supporting processing agencies in conducting regular internal accuracy reviews, particularly in primary areas of concern. To further assist processing agencies, DHS will pursue the use of reporting and data review to identify trends and guide improvements in program eligibility determinations.

To support implementation and oversight, DHS has established a corrective action planning team that meets bi-weekly to discuss identified issues, monitor progress, and ensure corrective actions are completed.

Anticipated Completion Date:

January 1, 2027

Finding Number: 2025-023

Finding Title: Grants to States for Medicaid Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility – METS

Program: 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:

Karen Gibson, Health Care Eligibility and Access Director
Jen Gerber, Health Eligibility Operations, Partner Relations Manager

Corrective Action Planned:

To strengthen controls at the local level and improve accuracy in program eligibility determinations, DHS will expand outreach to county and tribal processing agencies to reinforce expectations, provide guidance, and offer ongoing support. DHS will conduct targeted training focused on areas where errors have been identified, ensuring that education and resources are updated regularly to reflect policy changes and error prone areas. DHS will also continue to review and enhance the tools and processes used to determine eligibility, ensuring that improvements are designed to increase accuracy. Emphasis will be placed on supporting processing agencies in conducting regular internal accuracy reviews, particularly in primary areas of concern. To further assist processing agencies, DHS will pursue the use of reporting and data review to identify trends and guide improvements in program eligibility determinations.

To support implementation and oversight, DHS has established a corrective action planning team that meets bi-weekly to discuss identified issues, monitor progress, and ensure corrective actions are completed.

Anticipated Completion Date:

January 1, 2027

Finding Number: 2025-024

Finding Title: Grants to States for Medicaid Special Tests and Provisions – Utilization Reviews

Program: 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:

Gary Johnson, Director, Internal Control and Accountability

Corrective Action Planned:

The Department of Human Services agrees with the finding. We are currently developing a plan to document the process used by DHS to monitor the utilization of inpatient services in accordance with subparts C through D of Title 42 U.S. *Code of Federal Regulations* § 456.

Minnesota Department of Human Services
Corrective Action Plan
Fiscal Year Ending June 30, 2025

Anticipated Completion Date:

June 30, 2026



**Representation of
Minnesota State Colleges and Universities**

Corrective Action Plan

Year Ended June 30, 2025

United States Department of Education

Minnesota State Colleges and Universities respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit period: July 01, 2024 to June 30, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings—Federal Award Programs Audits

United States Department of Education

2025-002 National Student Loan Database System (NSLDS) Enrollment Reporting

Student Financial Aid Cluster – Assistance Listing No. Various

Recommendation: We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely and accurate reporting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The error reports that come from the Clearinghouse can have thousands of records that need to be reviewed. This increases the chance of human error in correcting individual records. Registrars are currently working with System Office IT staff to ensure that the number of errors in the error files are lower and reduce the risk of human error.

Name(s) of the contact person(s) responsible for corrective action: Directors of Financial Aid and Registrars at the various Minnesota State colleges and universities

Planned completion date for corrective action plan: 6/30/2026

2025-003 Required Reporting to Office of Inspector General (OIG)

Student Financial Aid Cluster – Assistance Listing No. Various

Recommendation: We recommend Century College to strengthen its internal controls and establish clear procedures to ensure that all instances of suspected student fraud are reported to the U.S. Department of Education immediately upon identification, in accordance with federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The college agrees with the finding and will begin reporting students as needed. IT is assisting with building a query that will make reporting easier and error free going forward.

Name(s) of the contact person(s) responsible for corrective action: Director of Financial Aid,
Century College

Planned completion date for corrective action plan: 6/30/2026

If the United States Department of Education has questions regarding this plan, please contact Metody Popov at metody.popov@minnstate.edu



State of Minnesota
Financial and Compliance Report on Federally Assisted Programs
Fiscal Year Ended June 30, 2025

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State of Minnesota
Status of Prior Federal Audit Findings
Fiscal Year Ended June 30, 2025

ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
U.S. Department of Agriculture						
10.542	COVID-19 – Pandemic EBT Food Benefits	Human Services	Reporting – Issuance Reconciliation Report (FNS-46)	1	2024-009	2024
10.553	School Breakfast Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.553	School Breakfast Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.553	School Breakfast Program	Education	Reporting - Financial Reporting on FNS-777	1	2023-006	2023
10.553	School Breakfast Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.553	School Breakfast Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	1	2023-009	2023
10.555	National School Lunch Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.555	National School Lunch Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.555	National School Lunch Program	Education	Reporting - Financial Reporting on FNS-777	1	2023-006	2023
10.555	National School Lunch Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.555	National School Lunch Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	1	2023-009	2023
10.555	COVID-19 – National School Lunch Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.555	COVID-19 – National School Lunch Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.555	COVID-19 – National School Lunch Program	Education	Reporting - Financial Reporting on FNS-777	1	2023-006	2023
10.555	COVID-19 – National School Lunch Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.556	Special Milk Program for Children	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.556	Special Milk Program for Children	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.556	Special Milk Program for Children	Education	Reporting - Financial Reporting on FNS-777	1	2023-006	2023
10.556	Special Milk Program for Children	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.556	Special Milk Program for Children	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	1	2023-009	2023
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Timely Issuance of Management Decision	1	2023-004	2023
10.558	Child and Adult Care Food Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.559	Summer Food Service Program for Children	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.559	Summer Food Service Program for Children	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.559	Summer Food Service Program for Children	Education	Reporting - Financial Reporting on FNS-777	1	2023-006	2023
10.559	Summer Food Service Program for Children	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.559	Summer Food Service Program for Children	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	1	2023-009	2023
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
10.582	Fresh Fruit and Vegetable Program	Education	Subrecipient Monitoring - Risk Assessment	2	2023-003	2023
10.582	Fresh Fruit and Vegetable Program	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	2	2023-005	2023
10.582	Fresh Fruit and Vegetable Program	Education	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-008	2023
10.582	Fresh Fruit and Vegetable Program	Education	Special Tests and Provisions - Noncompliance with Physical Inventory Requirement	1	2023-009	2023
U.S. Department of Justice						
16.575	Crime Victim Assistance	Public Safety	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-031	2023
16.575	Crime Victim Assistance	Public Safety	Subrecipient Monitoring	2	2023-032	2023
U.S. Department of the Transportation						
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Transportation	Cash Management – Amounts Provided to Subrecipients	2	2024-026	2024
20.509	COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program	Transportation	Cash Management – Amounts Provided to Subrecipients	2	2024-026	2024

State of Minnesota
Status of Prior Federal Audit Findings
Fiscal Year Ended June 30, 2025

ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
U.S. Department of Education						
84.010	Title I Grants to Local Educational Agencies	Education	Reporting - Special Reporting for Federal Funding Accountability and Transparency Act (FFATA)	2	2022-006	2022
84.425C	COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Which the Minnesota Department of Education Was Not the Cognizant Agency	1	2022-009	2022
84.425C	COVID-19 – Governor’s Emergency Education Relief (GEER) Fund	Education	Subrecipient Monitoring - Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)	1	2023-005	2023
U.S. Department of Health & Human Services						
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Matching – Administration Expenditures	1	2024-010	2024
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Earmarking – Administration Expenditures	1	2024-011	2024
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Reporting – Reports and Supplemental Form (SF-425)	2	2024-012	2024
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Reporting – Certification of Maintenance of Effort	2	2024-013	2024
93.044	COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.044	COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.044	COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Matching – Administration Expenditures	1	2024-010	2024
93.044	COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Earmarking – Administration Expenditures	1	2024-011	2024
93.044	COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Human Services	Reporting – Reports and Supplemental Form (SF-425)	2	2024-012	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Matching – Administration Expenditures	1	2024-010	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Earmarking – Administration Expenditures	1	2024-011	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Reporting – Reports and Supplemental Form (SF-425)	2	2024-012	2024
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Reporting – Certification of Maintenance of Effort	2	2024-013	2024
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Matching – Administration Expenditures	1	2024-010	2024
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Earmarking – Administration Expenditures	1	2024-011	2024
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	Human Services	Reporting – Reports and Supplemental Form (SF-425)	2	2024-012	2024
93.053	Nutrition Services Incentive Program	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.053	Nutrition Services Incentive Program	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.053	Nutrition Services Incentive Program	Human Services	Earmarking – Administration Expenditures	1	2024-011	2024
93.053	Nutrition Services Incentive Program	Human Services	Reporting – Reports and Supplemental Form (SF-425)	2	2024-012	2024

State of Minnesota
Status of Prior Federal Audit Findings
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ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
93.053	Nutrition Services Incentive Program	Human Services	Reporting – Certification of Maintenance of Effort	2	2024-013	2024
93.268	Immunization Cooperative Agreements	Health	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-014	2023
93.268	COVID-19 – Immunization Cooperative Agreements	Health	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-014	2023
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Equipment and Real Property Management	2	2024-001	2024
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Suspension and Debarment	1	2024-002	2024
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Reporting – Annual Federal Financial Report	1	2024-003	2024
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	1	2024-004	2024
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Equipment and Real Property Management	2	2024-001	2024
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Suspension and Debarment	1	2024-002	2024
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Reporting – Annual Federal Financial Report	1	2024-003	2024
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	1	2024-004	2024
93.423	1332 State Innovation Waivers	Commerce	Reporting	1	2022-002	2022
93.558	Temporary Assistance for Needy Families	Human Services	Noncompliance with federal eligibility requirements	2	2014-023	2014
93.558	Temporary Assistance for Needy Families	Human Services	Did not consistently reduce cash assistance benefits	2	2015-013	2015
93.558	Temporary Assistance for Needy Families	Human Services	Subrecipient Monitoring	2	2021-014	2021
93.558	Temporary Assistance for Needy Families	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.558	Temporary Assistance for Needy Families	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.558	Temporary Assistance for Needy Families	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring	2	2024-008	2024
93.558	Temporary Assistance for Needy Families	Human Services	Temporary Assistance for Needy Families Eligibility – MAXIS	2	2024-014	2024
93.558	Temporary Assistance for Needy Families	Human Services	Special Tests and Provisions – Child Support Non-Cooperation	2	2024-015	2024
93.558	Temporary Assistance for Needy Families	Human Services	Special Tests and Provisions – Penalty for Refusal to Work – Zero Hour Case Findings	1	2024-016	2024
93.563	Child Support Services	Human Services	Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.563	Child Support Services	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring	2	2024-008	2024
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with eligibility requirements	2	2018-012	2018
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with subrecipient monitoring requirements	2	2021-014	2021
93.575	Child Care and Development Block Grant	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.575	Child Care and Development Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.575	Child Care and Development Block Grant	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.575	Child Care and Development Block Grant	Human Services	Child Care and Development Fund Eligibility – MEC ²	2	2024-017	2024
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Subrecipient Monitoring	2	2022-013	2022
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Eligibility	2	2022-017	2022
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Subrecipient Monitoring – Risk Assessment and Monitoring Procedures	2	2024-008	2024
93.575	COVID-19 – Child Care and Development Block Grant	Human Services	Child Care and Development Fund Eligibility – MEC ²	2	2024-017	2024
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	Noncompliance with eligibility requirements	2	2018-012	2018
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	Child Care and Development Fund Eligibility – MEC ²	2	2024-017	2024
93.658	Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2022-011	2022
93.658	Foster Care Title IV-E	Human Services	Allowable Costs/Cost Principles - Allocation of Cost to Cost Centers Not Included in the Public Assistance Cost Allocation Plan	1	2022-012	2022
93.658	Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2022-019	2022
93.658	Foster Care Title IV-E	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023

State of Minnesota
Status of Prior Federal Audit Findings
Fiscal Year Ended June 30, 2025

ALN	Program Name	State Agency	Identified Problem in Prior Single Audit Report	Category of Corrective Action Taken*	SF-SAC Find Ref	Audit Report Fiscal Yr.
93.658	Foster Care Title IV-E	Human Services	Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.658	Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.658	Foster Care Title IV-E	Human Services	Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2024-007	2024
93.658	Foster Care Title IV-E	Human Services	Foster Care Title IV-E Subrecipient Monitoring	2	2024-018	2024
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2022-011	2022
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Subrecipient Monitoring	2	2022-019	2022
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2024-007	2024
93.658	COVID-19 - Foster Care Title IV-E	Human Services	Foster Care Title IV-E Subrecipient Monitoring	2	2024-018	2024
93.659	Adoption Assistance	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2023-015	2023
93.659	Adoption Assistance	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.659	Adoption Assistance	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.659	Adoption Assistance	Human Services	Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2024-007	2024
93.659	COVID-19 - Adoption Assistance	Human Services	Reporting - Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2023-017	2023
93.659	COVID-19 - Adoption Assistance	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.659	COVID-19 - Adoption Assistance	Human Services	Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)	2	2024-007	2024
93.667	Social Services Block Grant	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2023-016	2023
93.667	Social Services Block Grant	Human Services	Subrecipient Monitoring - Risk Assessment and Monitoring Procedures	2	2023-018	2023
93.767	Children's Health Insurance Program	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.767	Children's Health Insurance Program	Human Services	Eligibility	2	2023-028	2023
93.767	Children's Health Insurance Program	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.767	Children's Health Insurance Program	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.767	Children's Health Insurance Program	Human Services	Children's Health Insurance Program Eligibility – MAXIS	2	2024-019	2024
93.767	Children's Health Insurance Program	Human Services	Children's Health Insurance Program Eligibility – METS	2	2024-020	2024
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Eligibility	2	2023-028	2023
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Children's Health Insurance Program Eligibility – MAXIS	2	2024-019	2024
93.767	COVID-19 - Children's Health Insurance Program	Human Services	Children's Health Insurance Program Eligibility – METS	2	2024-020	2024
93.778	Grants to States for Medicaid	Human Services	Noncompliance with reporting requirements	2	2021-018	2021
93.778	Grants to States for Medicaid	Human Services	Allowable Costs/Cost Principles - Allocation of Cost to Cost Centers Not Included in the Public Assistance Cost Allocation Plan	1	2022-012	2022
93.778	Grants to States for Medicaid	Human Services	Special Tests and Provisions - Security Review of MMIS and MAXIS Information Systems	1	2023-030	2023
93.778	Grants to States for Medicaid	Human Services	Allowable Costs/Cost Principles - Public Assistance Cost Allocation Plan Amendments	1	2024-005	2024
93.778	Grants to States for Medicaid	Human Services	Reporting - Federal Funding Accountability and Transparency Act (FFATA)	2	2024-006	2024
93.778	Grants to States for Medicaid	Human Services	Medical Assistance Program Eligibility – METS	2	2024-021	2024
93.778	Grants to States for Medicaid	Human Services	Reporting – Medicaid Section 1115 Demonstration Project	1	2024-022	2024
93.778	Grants to States for Medicaid	Human Services	Special Tests and Provisions – Security Review of Medicaid Management Information System (MMIS)	1	2024-023	2024
93.778	COVID-19 – Grants to States for Medicaid	Human Services	Special Tests and Provisions - Security Review of MMIS and MAXIS Information Systems	1	2023-030	2023
93.778	COVID-19 – Grants to States for Medicaid	Human Services	Medical Assistance Program Eligibility – METS	2	2024-021	2024
93.778	COVID-19 – Grants to States for Medicaid	Human Services	Reporting – Medicaid Section 1115 Demonstration Project	1	2024-022	2024



Representation of State of Minnesota

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2025

Finding Number: 2024-001

Year of Origination: 2024

Finding Title: Equipment and Real Property Management

Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

State Agency: Minnesota Department of Health

Summary of Condition: The Minnesota Department of Health did not maintain a detailed listing of capital assets procured with federal Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) funds or assets purchased with federal funds that have been disposed.

Summary of Corrective Action Previously Reported: The Department of Health public health laboratory will ensure supervisors and managers in the lab maintain a list of assets which includes all the federal requirements for capital assets. When a capital asset is sent for surplus or changes its disposition, the facilities management procedure (PR408.01) for asset tracking will be followed. The list of assets will be reviewed by the assistant division director of the public health lab annually.

Status: Partially Corrected. The Minnesota Department of Health – Public Health Lab updated its asset inventory listing with all the federal requirements for capital assets and missed including inventory additions for other non-instrument equipment purchases. The inventory listing also only included purchases from one section in the lab, and not all section purchases.

Finding Number: 2024-002

Year of Origination: 2024

Finding Title: Suspension and Debarment

Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

State Agency: Minnesota Department of Health

Summary of Condition: For two of the 25 covered transactions tested, the Minnesota Department of Health did not retain documentation to support that the vendor was not debarred, suspended, or otherwise excluded prior to entering into the covered transaction.

Summary of Corrective Action Previously Reported: The Department of Health will verify that entities were not debarred, suspended, or otherwise excluded from participation in federal programs or activities and retain this documentation.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-003

Year of Origination: 2024

Finding Title: Reporting – Annual Federal Financial Report

Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

State Agency: Minnesota Department of Health

Summary of Condition: Three of the six Annual Federal Financial Reports tested were submitted more than 90 days after the end of the budget period.

Summary of Corrective Action Previously Reported: The Department of Health has already begun to ensure all federal reports are submitted timely.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-004

Year of Origination: 2024

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing No. 93.323)

State Agency: Minnesota Department of Health

Summary of Condition: The Minnesota Department of Health has not submitted required FFATA reports.

Summary of Corrective Action Previously Reported: The Department of Health hired a FFATA coordinator in February 2025 and has started to upload data into the federal system.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-005

Year of Origination: 2022 (Finding Number 2022-012), 2023 (Finding Number 2023-015), and 2024 (Finding Number 2024-005), as noted below

Finding Title: Allowable Costs/Cost Principles – Public Assistance Cost Allocation Plan Amendments

Program: Child Support Services (Assistance Listing No. 93.563) (2024-005)

Foster Care Title IV-E (Assistance Listing No. 93.658) (2022-012)

Adoption Assistance (Assistance Listing No. 93.659) (2023-015)

COVID-19 – Adoption Assistance (Assistance Listing No. 93.659) (2024-005)

Children’s Health Insurance Program (Assistance Listing No. 93.767) (2024-005)

COVID-19 – Children’s Health Insurance Program (Assistance Listing No. 93.767) (2024-005)

Grants to States for Medicaid (Assistance Listing No. 93.778) (2022-012)

State Agency: Minnesota Department of Human Services

Summary of Condition: Two cost centers included in the Central Office Cost Allocation System (COCAS) were not listed in the Public Assistance Cost Allocation Plan (PACAP) amendments, resulting in the State of Minnesota being reimbursed for costs from a cost center not included in the PACAP.

Summary of Corrective Action Previously Reported: While the two errors from the audit did not result in DHS inaccurately calculating or inappropriately charging costs to any federal awards, we acknowledge that an error of this nature has the potential to have that effect. As identified by the auditors, the root cause of this error was a failure to inactive a cost center in our IT system and apply those costs to a cost center that had moved in the PACAP. In March 2024, we designed a new internal control that requires staff to compare the active cost centers in our written cost allocation plan to the active cost centers in our IT system and ensure there is alignment. We have discovered that implementation of that new control is not complete. We will ensure the new control is added to process documents and will monitor for compliance. We are also in the process of implementing a new cost allocation IT system that will allow for more reporting ability to compare the system data to the PACAP to ensure errors of this nature don’t occur in the future.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-006

Year of Origination: 2021 (Finding Number 2021-018), 2022 (Finding Number 2022-011), and 2024 (Finding Number 2024-006), as noted below

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044) (2024-006)

COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044) (2024-006)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045) (2024-006)

COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045) (2024-006)

Nutrition Services Incentive Program (Assistance Listing No. 93.053) (2024-006)

Temporary Assistance for Needy Families (Assistance Listing No. 93.558) (2021-018)

Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-018)

COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-018)

Foster Care Title IV-E (Assistance Listing No. 93.658) (2022-011)

COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658) (2022-011)

Children’s Health Insurance Program (Assistance Listing No. 93.767) (2021-018)

Grants to States for Medicaid (Assistance Listing No. 93.778) (2021-018)

Block Grants for Prevention and Treatment of Substance Abuse (Assistance Listing no. 93.959) (2024-006)

State Agency: Minnesota Department of Human Services

Summary of Condition: In the sample selected for FFATA testing, four subawards were not submitted in the FSRS by the due date, while 23 subawards were not reported in the FSRS. Additionally, not all subaward information was submitted between April 2020 and April 2024.

Transactions Tested	Subaward Not Reported	Report Not Timely
27	23	4
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely
\$ 397,678	\$ Unknown	\$ 397,678

Summary of Corrective Action Previously Reported: We acknowledge that this is a long-standing repeat audit finding. Previously, we did not have the staff resources to tackle this non-compliance issue which requires coordination across the agency to develop a process to systematically collect, store, and report the required FFATA data elements. We started improving this process in May 2024, towards the end of the audit scope. We have been submitting monthly FFATA submissions to resolve outstanding activity that we hadn’t reported.

The Financial Operations Division (FOD) has been working with the federal government to submit catch up FFATA files for May 2020 through December 2024 in the Federal Sub-award Reporting System (FSRS). Technical errors related to the Federal Award Identification Number (FAIN) and Unique Entity Identification (UEI) are improving as we have been developing a better process for finding accurate information. Submissions continue to fail due to the vendor address we have on

file not matching FSRS data. FSRS is moving to a new IT system where they will provide the vendor address based on the UEI we enter, which will hopefully prevent this error type.

To prepare for the transition to FSRS's new IT system, FOD will develop procedures with step-by-step instructions for how to use the new FSRS and what information we are required to submit. FOD will also develop reports to be reviewed and run by staff to ensure we have all the necessary information related to FAIN and UEI. Once the new FSRS is operational, all technical errors resulting in rejection from FSRS will be resolved and resubmitted no later than the next month's submission. Ideally, we are hoping the new system will allow FOD to clean up all old submissions with mismatched address information so we can be caught up on our reporting responsibilities.

Status: Not Corrected. We have been submitting monthly FFATA submissions to resolve outstanding activity and get caught up. During the 2025 Single Audit, we gained additional perspectives on the population that should be reported. While DHS is caught up on FFATA reporting based on the more limited definition we have been using, we will need to adjust our procedures and develop a methodology to capture the required data given the broader population definition.

Finding Number: 2024-007

Year of Origination: 2023 (Finding Number 2023-017)

Finding Title: Reporting – Title IV-E Programs Quarterly Financial Report (Form CB-496)

Program: Foster Care Title IV-E (Assistance Listing No. 93.658)

COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658)

Adoption Assistance (Assistance Listing No. 93.659)

COVID-19 – Adoption Assistance (Assistance Listing No. 93.659)

State Agency: Minnesota Department of Human Services

Summary of Condition: The following was identified during review of Form CB-496 reports:

- Reported Foster Care in-placement administrative costs were overstated during the year with one central office cost allocation program included in error. During the year, the reported claim amounts were overstated by \$1,794,827, with a federal share of \$897,415;
- Reported Adoption Assistance training costs were understated in three quarters with a portion of eligible training costs omitted. For the year, the reported claim amounts were understated by \$478,198, with a federal share of \$358,649;
- A reported prior quarter adjustment for Adoption Assistance was unsupported. The prior quarter adjustment was for the quarter ending September 30, 2022, with a claim amount of \$321,245 and a federal share of \$182,178;
- The methodology used to allocate portions of Title IV-E-related county agency administrative costs between Foster Care and Adoption Assistance on the Form CB-496 reports did not result in an equitable distribution reflective of the individual program activities. For the year, the reported amount for these costs across both programs was \$65,465,345, with \$54,274,406 allocated to Foster Care and \$11,190,939 allocated to Adoption Assistance. The reported federal share of these costs totaled \$33,112,517, with \$27,351,694 allocated to Foster Care and \$5,760,823 allocated to Adoption Assistance; and
- The Minnesota Department of Human Services did not submit the June 30, 2024, Form CB-496 by the due date of July 30, 2024.

The following was identified during review of Part 4 of Form CB-496 report:

- Some expenditures were reported based on the state fiscal year ending June 30 rather than the federal fiscal year ending September 30. As a result, reported expenditures were overstated by \$2,564,879, including an overstatement of \$571,992 in current year expenditures and an overstatement of \$1,992,887 in reported prior year expenditures.

Summary of Corrective Action Previously Reported: Incoming DCYF financial leadership is working through a process of analyzing past activities, documenting a DCYF procedure for filing reports, and reconciling past reports.

Status: Not Corrected. DCYF is working to simplify reporting processes and develop standard operating procedures for the CB-496 and reconciliation process.

Finding Number: 2024-008

Year of Origination: 2021 (Finding Number 2021-014), 2022 (Finding Number 2022-013), and 2024 (Finding Number 2024-008), as noted below

Finding Title: Subrecipient Monitoring – Risk Assessment and Monitoring Procedures

Program: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044) (2024-008)

COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044) (2024-008)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045) (2024-008)

COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045) (2024-008)

Nutrition Services Incentive Program (Assistance Listing No. 93.053) (2024-008)

Temporary Assistance for Needy Families (Assistance Listing No. 93.558) (2021-014)

Child Support Services (Assistance Listing No. 93.563) (2024-008)

Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-014)

COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) (2022-013)

Block Grants for Prevention and Treatment of Substance Abuse (Assistance Listing No. 93.959) (2024-008)

State Agency: Minnesota Department of Human Services

Summary of Condition: The following exceptions were noted in the sample tested for subrecipient monitoring:

- The Minnesota Department of Human Services does not perform formal risk assessments on all subrecipients or document the response to risk assessments for Aging Cluster, Temporary Assistance for Needy Families (TANF), Child Support Services, Child Care and Development Block Grant, and Block Grants for Prevention and Treatment of Substance Abuse; and
- The Minnesota Department of Health did not review five single audit reports of TANF subrecipients who submitted their single audit to the Federal Audit Clearinghouse after the single audit deadline.

Summary of Corrective Action Previously Reported: Over the course of the calendar year, the DCYF will develop documented risk assessment procedures for each program.

DHS' Compliance Office will work with the Aging and Disability Services Administration and the Behavioral Health Administration to evaluate and document the risk that subrecipients are not administering federal awards in compliance with all applicable federal requirements.

The Department of Health (MDH) implemented a new process for the 2023 Year-End Single Audit Monitoring in November 2024. MDH believes this new process will address and resolve the issues identified in this report.

Status: Not Corrected.

The Department of Human Services' Compliance Office has worked with the Aging and Disability Services Administration and the Behavioral Health Administration to establish clear policies and procedures to document the risk that subrecipients are not administering federal awards in compliance with all applicable federal requirements. The Compliance Office is evaluating the changes that have been implemented to determine if the issue has been fully resolved.

The Department of Children, Youth and Families' Child Care division will update a list of risk assessments and sub-recipient monitoring activities currently performed for counties. Staff at DCYF will work with Financial Operations and Compliance to develop a coordinated framework for subrecipient monitoring for counties that includes the efforts identified by program areas and include proper documentation of these activities. Child Care Services has done risk assessments on new grantees starting in July 2024. TANF division is currently developing a framework for monitoring counties and will include working with county auditors to conduct reviews of county compliance with the use of TANF dollars. Specific to TANF contracts with the Minnesota Department of Health (MDH), the TANF contract manager will work with MDH on current contract language around the risk assessment of sub-recipients.

Finding Number: 2024-009

Year of Origination: 2024

Finding Title: Reporting – Issuance Reconciliation Report (FNS-46)

Program: COVID-19 – Pandemic EBT Food Benefits (Assistance Listing No. 10.542)

State Agency: Minnesota Department of Human Services

Summary of Condition: The following exceptions were noted in the three reports tested:

- On one report, Pandemic EBT Food Benefits were reported as regular ongoing issuance rather than other issuance; and
- Two reports were submitted after the 90-day deadline.

Summary of Corrective Action Previously Reported: None. The program is over. All reporting has been completed. Future programs will ensure timely reporting.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-010

Year of Origination: 2024

Finding Title: Matching – Administration Expenditures

Program: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

State Agency: Minnesota Department of Human Services

Summary of Condition: In the sample of two payments tested, the Minnesota Department of Human Services' matching requirement tracking file calculated the match at five percent State funds rather than the required match of 25 percent State funds.

Summary of Corrective Action Previously Reported: The Minnesota Board on Aging (MBA) will review and revise their maintenance of effort calculations to ensure compliance with the matching requirements for expenditures by Area Agencies on Aging. MBA will also update their operations policy and procedure for maintenance of effort certification.

Status: Fully Corrected. Corrective Action has been taken.

Finding Number: 2024-011

Year of Origination: 2024

Finding Title: Earmarking – Administration Expenditures

Program: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

Nutrition Services Incentive Program (Assistance Listing No. 93.053)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services allocated administration expenditures to the Area Aging Agency Administration on a calendar year. Actual administration expenditures were reported by the Area Aging Agency Administration on a federal fiscal year. The Minnesota Department of Human Services did not complete a comparison of the actual administration expenditures to the allocation by award year to ensure the amount expended remained under the allocation.

Summary of Corrective Action Previously Reported: The MBA will review and revise their maintenance of effort processes to ensure accurate Federal Financial Reporting, and to ensure Area Agencies on Aging are accurately and timely reporting expenditures.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-012

Year of Origination: 2024

Finding Title: Reporting – Reports and Supplemental Form (SF-425)

Program: Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Assistance Listing No. 93.044)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

Nutrition Services Incentive Program (Assistance Listing No. 93.053)

State Agency: Minnesota Department of Human Services

Summary of Condition: The following exceptions were noted in a sample of six SF-425 and Supplemental Form reports tested:

- In five reports, the amount reported as recipient share of expenditures was either incorrectly reported as zero or accurate support was not available, and
- In two reports, the amount reported as the federal share of expenditures was incorrect.

Summary of Corrective Action Previously Reported: The MBA will review their procedures for tracking and reporting Match spending by Area Agencies on Aging and the MBA. We will also enhance procedures for reviewing Federal Financial Reports (SF-425) submitted during the audit period and update supplemental pages if needed.

Status: Not Corrected. The Minnesota Board on Aging sought additional technical assistance from Minnesota Management and Budget, and our federal partner, Administration for Community Living, on clarification for reporting non-federal match. Additionally, the current year audit helped us to identify and fix a slight error in our new calculation. The MBA will continue to evaluate, verify, and document this process.

Finding Number: 2024-013

Year of Origination: 2024

Finding Title: Reporting – Certification of Maintenance of Effort

Program: Special Programs for the Aging, Title III, Part B, Grants for Services and Senior Centers (Assistance Listing No. 93.044)

Special Programs for the Aging, Title III, Part C, Nutrition Services (Assistance Listing No. 93.045)

Nutrition Services Incentive Program (Assistance Listing No. 93.053)

State Agency: Minnesota Department of Human Services

Summary of Condition: The level of effort on the OMB Certification of Maintenance of Effort OMB 0985-0009 Form was understated by \$994,743.

Summary of Corrective Action Previously Reported: The MBA will revise and resubmit Minnesota's Certification of Maintenance of Effort for FFY22 and FFY23. The MBA will also update their policy and procedures on maintenance of effort certification.

Status: Not Corrected. The Minnesota Board on Aging revised the process this year for calculating the Maintenance of Effort. The fiscal year 2025 audit helped us identify and correct a slight error in our new calculation. The Administration for Community Living accepted our revised and now accurately

calculated submission. We will continue to document, evaluate and verify our Maintenance of Effort calculation to ensure the correct amount is reported.

Finding Number: 2024-014

Year of Origination: 2014 (Finding Number 2014-023)

Finding Title: Temporary Assistance for Needy Families Eligibility - MAXIS

Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. The sample of cases reviewed by the Minnesota Department of Human Services Office of Internal Control and Accountability noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received benefits for incorrect amounts (over and under issuance of benefits) as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Summary of Corrective Action Previously Reported: The DCYF plans to increase its training and monitoring efforts with county partners to create reduction in the error rate on TANF eligibility determinations. A plan will be put in place by May 2025 for additional outreach efforts, monitoring and collaboration between DCYF policy area, audits, and county relations and counties.

Status: Not Corrected. TANF Leadership will continue to work with MNIT to look at system updates that can be implemented that will prompt staff to request updated information on expired information. Implementation of 2023 Legislative changes is the current priority for MAXIS system updates. Legislative changes will result in the need for reduced reporting requirements and applicable system updates will be implemented as part of the changes.

Finding Number: 2024-015

Year of Origination: 2015 (Finding Number 2015-013)

Finding Title: Special Test and Provisions – Child Support Non-Cooperation

Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local counties to support the eligibility determination process. Part of eligibility is cooperating with child support requirements. Counties must reduce benefits when a case is in non-cooperation status per the child support agency. In a sample of 40 cases tested, 11 cases had identified errors related to improper reduction of benefits or improper timing of reduced benefits for cases in non-cooperation status.

Summary of Corrective Action Previously Reported: TANF policy staff continue to track statewide child support sanctions. Monthly reports are posted to the SIR platform for review by county staff. A technology initiative to make Child Support DAILs undeletable (to continue to remind county staff of status of the case) will continue to be pursued. This will require MNIT resources.

Status: Not Corrected. TANF leadership will continue to meet with county leadership and staff of those counties that appear on monthly sanction reports to review sanction policy timelines. Sanction policy has been updated effective May 1, 2026. Updated guidance will be provided to county staff and leadership beginning in April. The sanction policy changes should reduce the error rate for this finding

due to policy simplification. Findings from internal audits and monthly review of sanction data by policy staff will determine if county specific meetings are warranted.

Finding Number: 2024-016

Year of Origination: 2024

Finding Title: Special Tests and Provisions – Penalty for Refusal to Work – Zero Hour Case Findings

Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558)

State Agency: Department of Human Services

Summary of Condition: The Minnesota Department of Human Services did not complete case file reviews on cases with zero work hours reported for the period of July to December 2023.

Summary of Corrective Action Previously Reported: A redundancy hire was made, and there are now two persons to conduct these reviews, so there will not be a review period gap.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-017

Year of Origination: 2018 (Finding Number 2018-012) and 2022 (Finding Number 2022-017), as noted below

Finding Title: Child Care and Development Fund Eligibility – MEC²

Program: Child Care and Development Block Grant (Assistance Listing No. 93.575) (2018-012)

COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) (2022-017)

Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Assistance Listing No. 93.596) (2018-012)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MEC², which is used by local counties to support the eligibility determination process. The sample of the cases reviewed by the Minnesota Department of Human Services Internal Audit noted not all documentation was available, updated, or input correctly to support participant eligibility. The identified errors noted clients received incorrect benefit amounts as well as benefits that should not have been paid due to case file information being incorrect, not updated, or not received to process eligibility for the benefit month.

Summary of Corrective Action Previously Reported: The DCYF will continue to review and update tools available to Child Care Assistance Program (CCAP) agencies, focusing on correct methods for calculating income, copayments, and authorized hours. Additionally, the agency will be developing an updated approach to outreach and training with the counties, ensuring even more efforts to tie policy area changes to repetitive error rates found in the audits department.

Status: Not Corrected. DCYF implemented improvements to internal controls on eligibility in December 2025. DCYF Child Care division will continue to test and evaluate the impact of revised controls to identify any residual gaps and to make needed adjustments.

Finding Number: 2024-018

Year of Origination: 2022 (Finding Number 2022-019)

Finding Title: Foster Care Title IV-E Subrecipient Monitoring

Program: Foster Care Title IV-E (Assistance Listing No. 93.658)

COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658)

State Agency: Minnesota Department of Human Services

Summary of Condition: In the sample of nine subrecipients tested, it was noted that the Minnesota Department of Human Services did not complete risk evaluations for each subrecipient of the Foster Care program or complete adequate monitoring of Foster Care program case files administered by county or tribal subrecipients for the audit period.

Summary of Corrective Action Previously Reported: The department has standard operating procedures for its Title IV-E foster care reimbursement program that address areas of risk. These include:

- Continuous monitoring process (CMP) case reviews of subrecipients
- Technical assistance and consultation provision to subrecipients including processes and procedures for documenting, reporting and claiming Title IV-E
- New worker training for subrecipient staff responsible for determining Title IV-E eligibility
- On-going trainings instruct subrecipient staff on initial and on-going Title IV-E requirements
- Automation of Title IV-E program and fiscal requirements in Minnesota’s child welfare federal reporting system, Social Service Information System (SSIS)
- Detailed written instructions to subrecipients for addressing invalid Title IV-E claims in SSIS
- Formal process for subrecipients to request technical assistance on invalid Title IV-E claims in SSIS
- Subrecipients are required to correct invalid Title IV-E claims when they receive technical assistance, findings from case reviews and proofing errors in SSIS
- Participation in federal Title IV-E foster care eligibility reviews every 3 years.

Since the US Department of Health and Human Services began conducting state Title IV-E foster care eligibility reviews in 2004, Minnesota has met the substantial compliance standard in every review. The last review was conducted in 2019, and the next is scheduled for April 2026.

The department will continue to execute these activities, and in the next calendar year, will create policy and procedure that articulates the criteria used in county risk assessments.

Status: Not Corrected. A comprehensive subrecipient monitoring plan was developed to include increased auditing and corrective action measures. Eligibility Determination Trainers began training and auditing has already occurred. Continuous improvement efforts are ongoing and meeting regularly to monitor progress.

Finding Number: 2024-019

Year of Origination: 2023 (Finding Number 2023-028)

Finding Title: Children's Health Insurance Program Eligibility – MAXIS

Program: Children's Health Insurance Program (Assistance Listing No. 93.767)

COVID-19 – Children's Health Insurance Program (Assistance Listing No. 93.767)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 24 case files tested:

- Eligibility could not be determined for one case file because no application or documentation of verifications could be provided;
- One case file had documentation of income verification that had not been entered into MAXIS; and
- Three case files for pregnant women were not processed within the required 15 working days.

Summary of Corrective Action Previously Reported: The DHS Health Care Eligibility and Access Division, Program Integrity and Oversight Unit (PIO), will work jointly with the Office of Internal Control and Accountability's Program Compliance and Audit Staff (PCA) to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Status: Not Corrected.

The Department of Human Services has completed the following items in the past year.

- A Corrective Action Planning Team has been established to verify compliance with the updated procedures and to report findings to the Healthcare Eligibility Program Integrity and Oversight Unit.
- DHS continues to develop reports to identify enrollees with missing SSNs and is developing a related statewide presentation for eligibility workers to reinforce the importance of obtaining missing SSNs. A METS system change deployed on October 29, 2025, now triggers an ex parte renewal (aka auto renewal) failure when an SSN is missing. An additional enhancement has been requested to update METS functionality for cases in which an individual has applied for an SSN but has not yet provided one, ensuring these situations are correctly identified and handled.
- A policy compliance reminder on timely processing was issued on October 31, 2025, and specifically for pregnant women applications on December 2, 2025. Statewide presentations on these for eligibility workers were conducted in November and December 2025 and included an overview of

the 2024 OSA audit and worker tip sheet. It also included the importance of having a process to identify pregnant women applications.

- A policy compliance reminder on ensuring income data is appropriately recorded in circumstances when a new case must be created was issued on January 12, 2026, and worker presentation was done on December 10, 2025.
- A policy compliance reminder to case note all actions was issued to processing agencies on September 30, 2025.

We are working to strengthen our training on case notes and on maintaining detailed and accurate eligibility records. The Corrective Action Planning team continues to meet biweekly for status updates on corrective action items.

Finding Number: 2024-020

Year of Origination: 2024

Finding Title: Children’s Health Insurance Program Eligibility - METS

Program: Children’s Health Insurance Program (Assistance Listing No. 93.767)

COVID-19 – Children’s Health Insurance Program (Assistance Listing No. 93.767)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 case files tested:

- Three case files where the recipient’s social security number or income was not verified;
- Two case files where income verifications were obtained but not updated in METS; and
- One case file where the recipient was no longer eligible for CHIP and should have been transferred to the Medical Assistance Program.

Summary of Corrective Action Previously Reported: The DHS Health Care Eligibility and Access Division, PIO Unit, will work jointly with the Office of Internal Control and Accountability’s PCA Staff to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Status: Not Corrected.

The Department of Human Services has completed the following items in the past year.

- A METS system change deployed on October 29, 2025, now triggers an ex parte renewal (aka auto renewal) failure when an SSN is missing. An additional enhancement has been requested to update METS functionality for cases in which an individual has applied for an SSN but has not yet provided one, ensuring these situations are correctly identified and handled. DHS continues to develop reports to identify enrollees with missing SSNs and is developing a related statewide presentation for eligibility workers to reinforce the importance of obtaining missing SSNs.
- A policy compliance reminder was issued on April 23, 2025, reminding workers to request missing SSNs for former auto newborns.
- A policy compliance reminder was issued on September 30, 2025, reminding workers to case note all actions.
- Updated worker procedures were issued on April 22, 2025, related to ensuring that METS data is updated to match paper verification.
- A policy compliance reminder was issued on October 13, 2025, reminding workers to appropriately end income data in METS and MAXIS when, for example, an enrollee changes jobs.
- Statewide training conducted at the Minnesota Financial Worker and Case Aide Association conference on October 29, 2025, and eligibility worker training on November 25, 2025, on ensuring METS data is updated to match paper verification.
- A policy manual clarification on when an application is required is expected to be issued March 13, 2026.
- A policy compliance reminder is scheduled for 2026 on updating income data in METS and MAXIS to match paper verification.

The Corrective Action Planning team continues to meet biweekly for status updates on corrective action items.

Finding Number: 2024-021

Year of Origination: 2024

Finding Title: Medical Assistance Program Eligibility – METS

Program: Grants to States for Medicaid (Assistance Listing No. 93.778)

COVID-19 – Grants to States for Medicaid (Assistance Listing No. 93.778)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, METS, which is used by local agencies to support the eligibility determination process. The following exceptions were noted in a sample of 60 case files tested:

- Three case files did not include verification of the recipient’s income;
- One case file was automatically renewed by the system without social security verification; and
- One case file was automatically renewed by the system without a renewal application.

Summary of Corrective Action Previously Reported: The DHS Health Care Eligibility and Access Division, PIO Unit, will work jointly with the Office of Internal Control and Accountability’s PCA Staff to expand outreach to county and Tribal processing agencies to improve controls at the local level based on the errors noted.

DHS will continue to review and update the tools and processes used to determine program eligibility. DHS will also ensure that education and training target error prone areas. DHS will continue to work with counties to improve controls through county case file eligibility reviews.

Additionally, DHS will continue to emphasize the importance of county case accuracy review processes that target primary areas of concern. All processing agencies will continue to be required to complete these reviews. DHS will also pursue system prompts and the use of reporting or data review to assist local agencies with improving the accuracy of information they manage. PIO and PCA leadership will also work with MNIT to look at systems updates that can be implemented to prompt county staff to request updated information on expired documentation.

Status: Not Corrected.

The Department of Human Services has completed the following items in the past year.

- DHS continues to develop reports to identify enrollees with missing SSNs and is developing a related statewide presentation for eligibility workers to reinforce the importance of obtaining missing SSNs. A METS system change deployed on October 29, 2025, now triggers an ex parte renewal (aka auto renewal) failure when an SSN is missing. An additional enhancement has been requested to update METS functionality for cases in which an individual has applied for an SSN but has not yet provided one, ensuring these situations are correctly identified and handled.
- A policy compliance reminder was issued on April 23, 2025, reminding workers to request missing SSNs for former auto newborns.
- METS system update with the 25.2.1 release updated redetermination suspension evidence functionality, which ensures that enrollees who did not complete a renewal will not have eligibility redetermined inappropriately. Communication to workers was issued on June 11, 2025.
- METS worker procedures “Add Proof to a Verification Item” was updated on April 18, 2025, and “Update Income and Projected Annual Income” was updated on April 22, 2025. These updates support the corrective action by ensuring that paper proofs align with the required documents for eligibility.
- Statewide training conducted at the Minnesota Financial Worker and Case Aide Association conference on October 29, 2025, and eligibility worker training on November 25, 2025, on ensuring METS data is updated to match paper verification.
- “METS Renewal Form Procedure” was updated on November 26, 2025. Policy manual updates are in progress for renewal processing timelines.
- A policy compliance reminder is scheduled for 2026 on updating income data in METS and MAXIS to match paper verification.

The Corrective Action Planning team continues to meet biweekly for status updates on corrective action items.

Finding Number: 2024-022

Year of Origination: 2024

Finding Title: Reporting – Medicaid Section 1115 Demonstration Project

Program: Grants to States for Medicaid (Assistance Listing No. 93.778)

COVID-19 – Grants to States for Medicaid (Assistance Listing No. 93.778)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services reported \$112,086,688 in expenditures for seven tribal facilities considered institutions for mental disease in error related to its Medicaid Section 1115 demonstration project on its CMS-64 reports for the fiscal years ending 2015 through 2025. The amount of the error relating to the fiscal year ended June 30, 2024, was \$18,074,279.

Summary of Corrective Action Previously Reported:

1. Documentation and Tracking System Implementation
 - The American Indian team will develop and deploy a comprehensive tracking system that documents all demographic information for tribal programs, with clear identification of IMD and non-IMD status.
 - This system will include specific bed capacity metrics to ensure accurate IMD designation.
 - Implementation will be completed by 6/30/2025.
2. Mandatory Annual Review Process
 - BHA will institute a formal annual review process to assess bed counts for all tribal residential SUD treatment providers.
 - Special attention will be given to facilities approaching or exceeding the 16-bed threshold for IMD designation.
 - The first annual review cycle will begin 6/30/2025.
3. New Program Evaluation Protocol
 - All newly licensed SUD treatment programs will undergo immediate IMD determination review at the time of licensure.
 - Programs will be evaluated against federal funding eligibility guidelines.
 - This protocol will be effective immediately.
4. Support for Newly Identified IMDs
 - The seven identified tribal programs now meeting IMD definitions will receive targeted technical assistance.
 - BHA will provide resources to help these programs meet qualifications required for waiver participation if they choose this path.
 - Initial consultation meetings with these providers have been scheduled with 50% currently completed.
5. Financial System Corrections
 - Coding in the billing system will be updated to ensure proper Federal Financial Participation (FFP) is applied.
 - A comprehensive audit of past billing will be conducted to identify any necessary adjustments.
 - System corrections will be completed by April 5, 2025.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-023

Year of Origination: 2023 (Finding Number 2023-030)

Finding Title: Special Tests and Provisions – Security Review of Medicaid Management Information System (MMIS)

Program: Grants to States for Medicaid (Assistance Listing No. 93.778)

COVID-19 – Grants to States for Medicaid (Assistance Listing No. 93.778)

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services maintains the computer system, MMIS, which is used in the benefit payment process. The Minnesota Department of Human Services, working with Minnesota Information Technology Services (MNIT), did not complete a biennial information system security review of the MMIS application and environment, which helps identify new, and validate any existing, risks and vulnerabilities.

Summary of Corrective Action Previously Reported: The MMIS security review (SSP) was complete and accredited on November 18, 2024.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2024-024

Year of Origination: 2024

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)

COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)

State Agency: Minnesota Department of Public Safety

Summary of Condition: For 12 of the 14 subaward obligations selected for FFATA testing, the information was not submitted in the FSRS by the due date. Additionally, two of the 14 subaward obligations tested were not reported in the FSRS.

Transactions Tested	Report Not Timely	Subaward Not Reported
14	12	2
Dollar Amount of Tested Transactions	Report Not Timely	Subaward Not Reported
\$ 2,361,706	\$ 2,182,985	\$ 178,721

Summary of Corrective Action Previously Reported: Homeland Security & Emergency Management (HSEM) will hire a staff member, whose position focus will be on Single Audit compliance to ensure that required reporting will be completed in a timely manner. This staff member will be responsible for developing an internal procedure for compiling the necessary data and reporting on that data. The staff will also be responsible for tracking changes and updates to federal reporting requirements and adjusting internal procedure accordingly. That position will also be tasked with training internal staff on our cognizant agency subrecipient monitoring roles and responsibilities.

HSEM Bureau leadership will monitor the FFATA requirements and staff implementation of the internal federal reporting procedure to ensure reports are submitted in a timely manner and in compliance with

federal requirements. Leadership will collaborate with staff to address any updates or adjustments of internal processes and procedures.

Status: Partially Corrected. HSEM has implemented procedures and FFATA reports are current as of June 30, 2025.

The federal government changed how the FFATA information was uploaded to their system. There was little training from the federal government on how to upload the FFATA information with this new procedure, so it took HSEM time to figure out the new procedure for uploading FFATA information, which resulted in delayed FFATA reporting.

HSEM Public Assistance (PA) is current as of February 25, 2026, with reporting FFATA information for applicants that have current UEI Numbers. For those applicants with current UEI Numbers the following is completed for FFATA reporting: monthly HSEM PA checks Sam.gov to see if a UEI Number is assigned to applicants or if HSEM receives a UEI Number for an applicant, HSEM PA will upload the applicant's information into FFATA for reporting in compliance with federal reporting requirements.

Finding Number: 2024-025

Year of Origination: 2024

Finding Title: Subrecipient Monitoring

Program: Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)

COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036)

State Agency: Minnesota Department of Public Safety

Summary of Condition: The following exceptions were noted in the 11 subrecipients selected for testing:

- For three subrecipient audit reports, there was no documented evidence of a review being performed.
- Seven subrecipient audit reports were not reviewed until after the management decision deadline.

Summary of Corrective Action Previously Reported: HSEM will hire a staff member, whose position focus will be on Single Audit compliance to ensure that required subrecipient monitoring will be completed in a timely manner. This staff member will be responsible for developing an internal procedure for monitoring subrecipients, including reviewing audits and issuing management letters when applicable. The staff will also be responsible for tracking changes and updates to federal subrecipient monitoring requirements and adjusting internal procedure accordingly. That position will also be tasked with training internal staff on our cognizant agency subrecipient monitoring roles and responsibilities. This position will also work with the HSEM public assistance disaster subrecipients to conduct monitoring to ensure proper timeliness and completion of documentation.

Status: Not Corrected. HSEM recently hired a new position that will be responsible for review of Single Audits and issuance of Management Decision Letters. HSEM staff has attended some training but has requested more training to continue to better understand single audits.

HSEM hired a Disaster Project Reviewer position on March 5, 2025, that is responsible for HSEM's Single Audit compliance review and subrecipient monitoring. Training specific to this position's duties for HSEM Single Audit and subrecipient monitoring (vs grant writers who manage their grants) did not happen due to internal DPS Grant Coordinator position vacancy that would normally be able to aid with

training. HSEM did reach out to the FEMA Regional Representative, who suggested reaching out to the states of Ohio and Wisconsin for information on their Single Audit and subrecipient monitoring process. Wisconsin recently provided useful information to develop internal procedures and checklists that can be adapted into HSEM's processes.

Recently DPS hired a Grants Compliance & Implementation Coordinator position on December 31, 2025, and this person will be able to develop training materials and assist the HSEM Disaster Project Reviewer position. Meetings will be scheduled between the DPS Grants Compliance & Implementation Coordinator and the HSEM Disaster Project Reviewer in the coming weeks for training sessions. HSEM will working on getting the Single Audit and subrecipient monitoring reviews completed in compliance with federal regulations, and state laws and policies and procedures.

Finding Number: 2024-026

Year of Origination: 2024

Finding Title: Cash Management – Amounts Provided to Subrecipients

Program: Formula Grants for Rural Areas and Tribal Transit Program (Assistance Listing No. 20.509)

COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program (Assistance Listing No. 20.509)

State Agency: Minnesota Department of Transportation

Summary of Condition: Two of the 20 subrecipient payments tested for compliance with federal cash management requirements were not paid within 30 days following receipt of the reimbursement request.

Summary of Corrective Action Previously Reported: The Office of Transit and Active Transportation will review processes, procedures, and workload capacity and make changes necessary to ensure that payments are made in accordance with federal cash management regulations.

Status: Not Corrected. The office of Transit and Active Transportation (OTAT) reviewed processes, procedures and workload capacity to determine the changes necessary to comply. It was determined that staff needed additional training on deadline compliance and staff have now been trained, for example, to reject requests for funds (RFF) with incomplete documentation rather than hold the request while waiting on the recipient. In addition, the number of contracts/RFFs have increased and OTAT continues to improve processes to manage the workload, OTAT also has identified some issues with RFF dates in the Grant system and is working to fix these issues and continues to work on improving processes and documenting necessary changes. OTAT is committed to making the changes necessary to ensure that payments are made in accordance with federal cash management regulations.

Finding Number: 2023-003

Year of Origination: 2023

Finding Title: Subrecipient Monitoring – Risk Assessment

Program: School Breakfast Program (Assistance Listing No. 10.553)

National School Lunch Program (Assistance Listing No. 10.555)

COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)

Special Milk Program for Children (Assistance Listing No. 10.556)

Child and Adult Care Food Program (Assistance Listing No. 10.558)

Summer Food Service Program for Children (Assistance Listing No. 10.559)

Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)

State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not document risk assessment procedures performed over its subrecipients.

Summary of Corrective Action Previously Reported: The NPS division has a plan on how to implement risk assessments using the application reports out of the Cyber-Linked Interactive Child Nutrition System (CLiCS) system. The risk assessments will be conducted in line with the beginning of the program application year. Summer Food Service Program (SFSP) applications are due June 15, School Nutrition Programs (SNP) and Milk applications have no set due date as schools can apply at any time but the expected timeframe for applications is September 30, and Child and Adult Care Food Program (CACFP) applications are also accepted at any time with an expected timeframe of October 30.

Status: Partially Corrected. MDE implemented a risk assessment process during FY 2025, but will modify the formatting of its documentation to facilitate verification for low risk subrecipients.

Finding Number: 2023-004

Year of Origination: 2023

Finding Title: Subrecipient Monitoring – Timely Issuance of Management Decision

Program: Child and Adult Care Food Program (Assistance Listing No. 10.558)

State Agency: Minnesota Department of Education

Summary of Condition: Of the nine subrecipients with single audit findings that were selected for testing from the various Minnesota Department of Education-administered federal programs, two did not have management decision letters issued by the Minnesota Department of Education within six months of acceptance by the Federal Audit Clearinghouse. Additionally, one subrecipient did not submit a single audit report to the Minnesota Department of Education until nine months after their single audit reporting deadline, and the Minnesota Department of Education did not perform follow-up procedures, such as sending a late notice.

Summary of Corrective Action Previously Reported: Nutrition Program Services (NPS) will issue management decision letters within the six-month timeframe. We have monthly meetings setup to check on management decision letter progress and address any issues that may require late notices or further action. Additionally, we have meetings with upper management every 8 weeks to check on progress.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2023-005

Year of Origination: 2022 (Finding Number 2022-009) and 2023 (Finding Number 2023-005), as noted below

Finding Title: Subrecipient Monitoring – Subrecipient Audit Reports for Non-Local Educational Agencies (LEAs)

Program: School Breakfast Program (Assistance Listing No. 10.553) (2023-005)

National School Lunch Program (Assistance Listing No. 10.555) (2023-005)

COVID-19 – National School Lunch Program (Assistance Listing No. 10.555) (2023-005)

Special Milk Program for Children (Assistance Listing No. 10.556) (2023-005)

Child and Adult Care Food Program (Assistance Listing No. 10.558) (2023-005)

Summer Food Service Program for Children (Assistance Listing No. 10.559) (2023-005)

Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582) (2023-005)

COVID-19 – Governor's Emergency Education Relief (GEER) Fund (Assistance Listing No. 84.425C) (2022-009)

State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not review single audit reports for two non-LEAs where the Minnesota Department of Education is the cognizant state agency. Additionally, for non-LEAs where the Minnesota Department of Education was not the cognizant state agency, 17 single audit reports were not reviewed in a timely manner, and for ten single audit reports, no review was performed. Without reviewing single audit reports, the Minnesota Department of Education could not issue management decision letters when necessary.

Summary of Corrective Action Previously Reported: Nutrition Program Services (NPS) has monthly meetings setup to review the cognizant and non-cognizant lists that need to be completed. We will check on progress, ensure upcoming deadlines are met, and address issues with organizations that file late or not at all. Additionally, we have meetings with upper management every 8 weeks to check on progress.

Status: Fully Corrected related to COVID-19 – Governor's Emergency Education Relief (GEER) Fund (Assistance Listing No. 84.425C). Corrective Action was taken.

Status: Partially Corrected related to the Child Nutrition Cluster (Assistance Listing Nos. 10.553, 10.555, 10.556, 10.559, 10.582) and the Child and Adult Care Food Program (Assistance Listing No. 10.558). MDE will create a new procedure clarifying how it requests and reviews single audit reports from non-LEAs where MDE is the cognizant state agency.

Finding Number: 2023-006

Year of Origination: 2023

Finding Title: Reporting – Financial Reporting on FNS-777

Program: School Breakfast Program (Assistance Listing No. 10.553)

National School Lunch Program (Assistance Listing No. 10.555)

COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)

Special Milk Program for Children (Assistance Listing No. 10.556)

Summer Food Service Program for Children (Assistance Listing No. 10.559)

State Agency: Minnesota Department of Education

Summary of Condition: For the two quarterly FNS-777 reports and one annual FNS-777 report selected for testing, the Minnesota Department of Education did not retain copies of the original data from the SWIFT system used to support the amounts reported.

Summary of Corrective Action Previously Reported: MDE will fully implement the new process to retain copies of the original data from the SWIFT system used to support the amounts reported to FNS in the Financial Status Report (FNS-777) for the use of program funds for the National School Lunch Program, School Breakfast Program, Special Milk Program for Children, and Summer Food Service Program for Children.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2023-008

Year of Origination: 2023

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: School Breakfast Program (Assistance Listing No. 10.553)

National School Lunch Program (Assistance Listing No. 10.555)

COVID-19 – National School Lunch Program (Assistance Listing No. 10.555)

Special Milk Program for Children (Assistance Listing No. 10.556)

Summer Food Service Program for Children (Assistance Listing No. 10.559)

Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)

State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education has not submitted subaward information in the FSRS for the Child Nutrition Cluster.

Summary of Corrective Action Previously Reported: MDE will complete and submit reports for subaward information in the FFATA Subaward Reporting System (FSRS) for the Child Nutrition Cluster starting in fiscal year 2025.

Status: Not Corrected. MDE will complete and submit reports for subaward information in the FFATA Subaward Reporting System.

Finding Number: 2023-009

Year of Origination: 2023

Finding Title: Special Tests and Provisions – Noncompliance with Physical Inventory Requirement

Program: School Breakfast Program (Assistance Listing No. 10.553)

National School Lunch Program (Assistance Listing No. 10.555)

Special Milk Program for Children (Assistance Listing No. 10.556)

Summer Food Service Program for Children (Assistance Listing No. 10.559)

Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)

State Agency: Minnesota Department of Education

Summary of Condition: The Minnesota Department of Education did not conduct a physical count of the donated food stored at the contracted warehouse, nor did they reconcile physical and book inventory of donated foods.

Summary of Corrective Action Previously Reported: In SFY24 the School Nutrition Business Supervisor already had implemented a new practice to conduct more frequent physical inventory checks throughout the year. In SFY24, the USDA Foods team visited the Wisconsin Warehouse on 12/11/2023, and a second visit on 06/20/2024. The USDA Foods team has implemented multiple warehouse visits as a standard practice going forward.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2023-014

Year of Origination: 2023

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Immunization Cooperative Agreements (Assistance Listing No. 93.268)

COVID-19 – Immunization Cooperative Agreements (Assistance Listing No. 93.268)

State Agency: Minnesota Department of Health

Summary of Condition: The Minnesota Department of Health has not submitted required FFATA reports.

Summary of Corrective Action Previously Reported: A new position has been created and is in progress to be hired. A project is in place to establish a FFATA reporting process, and the pilot test of new procedures is expected to begin in December 2024.

Status: Partially Corrected. The Minnesota Department of Health has developed and implemented a process to upload data into the federal system and will ensure all reports are submitted by required dates.

Finding Number: 2023-016

Year of Origination: 2021 (Finding Number 2021-018), 2022 (Finding Number 2022-011), and 2023 (Finding Number 2023-016), as noted below

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Temporary Assistance for Needy Families (Assistance Listing No. 93.558) (2021-018) *see note below

Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-018) *see note below

COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-018) *see note below

Foster Care Title IV-E (Assistance Listing No. 93.658) (2022-011) *see note below

COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658) (2022-011) *see note below

Social Services Block Grant (Assistance Listing No. 93.667) (2023-016)

Children’s Health Insurance Program (Assistance Listing No. 93.767) (2021-018) *see note below

Grants to States for Medicaid (Assistance Listing No. 93.778) (2021-018) *see note below

State Agency: Minnesota Department of Human Services

Summary of Condition: The Minnesota Department of Human Services has not submitted required FFATA reports since April 2020.

Summary of Corrective Action Previously Reported: FOD will implement procedures to begin required monthly report submissions and technical errors resulting in rejection from the FSRS system will be resolved and resubmitted.

* Temporary Assistance for Needy Families (Assistance Listing No. 93.558), Child Care and Development Block Grant (Assistance Listing No. 93.575), COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575), Foster Care Title IV-E (Assistance Listing No. 93.658), COVID-19 – Foster Care Title IV-E (Assistance Listing No. 93.658), Children’s Health Insurance Program (Assistance Listing No. 93.767), Grants to States for Medicaid (Assistance Listing No. 93.778) Reporting – Federal Funding Accountability and Transparency Act (FFATA) are reported within the Summary Schedule of Prior Audit Findings as finding 2024-006.

Status: Not Corrected. We have been submitting monthly FFATA submissions to resolve outstanding activity and get caught up. During the 2025 Single Audit, we gained additional perspectives on the population that should be reported. While DHS is caught up on FFATA reporting based on the more limited definition we have been using, we will need to adjust our procedures and develop a methodology to capture the required data given the broader population definition.

Finding Number: 2023-018

Year of Origination: 2021 (Finding Number 2021-014), 2022 (Finding Number 2022-013), and 2023 (Finding Number 2023-018), as noted below

Finding Title: Subrecipient Monitoring – Risk Assessment and Monitoring Procedures

Program: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Assistance Listing No. 10.561) (2023-018)

Temporary Assistance for Needy Families (Assistance Listing No. 93.558) (2021-014) * see note below
Child Care and Development Block Grant (Assistance Listing No. 93.575) (2021-014) * see note below
COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) (2022-013) * see note below

Social Services Block Grant (Assistance Listing No. 93.667) (2023-018)

State Agency: Minnesota Department of Human Services

Summary of Condition: The following exceptions were noted in the sample tested for subrecipient monitoring:

- The Minnesota Department of Human Services does not perform formal risk assessments on subrecipients or document the response to risk assessments for State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, Child Care and Development Block Grant, and Social Services Block Grant;
- The Minnesota Department of Health did not perform a formal risk assessment or monitoring procedures on one of the subrecipients tested for Temporary Assistance for Needy Families; and
- The Minnesota Department of Health did not review a single audit report of a subrecipient who submitted their single audit to the Federal Audit Clearinghouse after the single audit deadline.

Summary of Corrective Action Previously Reported: The Department of Children, Youth and Families (DCYF) will continue documenting existing risk management and monitoring practices related to our subrecipients. DCYF will formalize a framework per administration in the 2025 calendar year. We will also review award information provided to these subrecipients and add applicable information as required.

* Temporary Assistance for Needy Families (Assistance Listing No. 93.558), Child Care and Development Block Grant (Assistance Listing No. 93.575), COVID-19 – Child Care and Development Block Grant (Assistance Listing No. 93.575) Subrecipient Monitoring – Risk Assessment and Monitoring Procedures are reported within the Summary Schedule of Prior Audit Findings as finding 2024-008.

Status: Not Corrected. The Department of Children, Youth, and Families' (DCYF) Economic Assistance and Employment Services Division (EAESD) is currently developing a framework for monitoring counties that will include working with county auditors to conduct reviews of county compliance relating to SNAP, Social Services Block Grants, and TANF. EAESD will partner with DCYF's Compliance Division to ensure local partners are adhering to oversight responsibilities and requirements. Specific to TANF

contracts with Minnesota Department of Health (MDH), the TANF contract manager will partner with MDH on current contract language around the risk assessment of sub-recipients, while developing monitoring procedures to ensure effective oversight.

The DCYF Child Care Division will update a list of risk assessments and sub-recipient monitoring activities currently performed for counties. Staff at DCYF will work with Financial Operations and Compliance to develop a coordinated framework for subrecipient monitoring of counties that includes the currently undocumented efforts identified by program areas. This new framework will include and emphasize the importance of appropriate documentation to support our work in these areas. Child Care Services has done risk assessments on new grantees starting in July 2024.

Finding Number: 2023-031

Year of Origination: 2023

Finding Title: Reporting – Federal Funding Accountability and Transparency Act (FFATA)

Program: Crime Victim Assistance (Assistance Listing No. 16.575)

State Agency: Minnesota Department of Public Safety

Summary of Condition: In the sample selected for FFATA testing, it was noted for four subrecipient subawards that the information submitted in the FSRS could not be reconciled to the appropriate grant agreements. Additionally, no subaward information was submitted between May 2022 and November 2023.

Transactions Tested	Report not timely	Subaward amount incorrect
33	33	4
Dollar Amount of Tested Transactions	Report not timely	Subaward amount incorrect
\$ 4,169,803	\$ 4,169,803	\$ 75,941

Summary of Corrective Action Previously Reported: As of June 30, 2024, the corrective action plan was not implemented. OJP developed a FFATA reporting policy and procedures plan in August 2024, which was implemented by staff in October 2024. This audit finding was resolved in October 2024.

Status: Partially Corrected. OJP finalized an updated FFATA reporting procedure August 20, 2024, and revised the procedure on August 18, 2025, and February 11, 2026. OJP updated the procedure to ensure that subaward information is submitted timely and accurately report to SAM.gov to comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. Training has been provided to new and current OJP staff and is monitored by supervisors to ensure FFATA reporting requirements are submitted timely and accurately.

Finding Number: 2023-032

Year of Origination: 2023

Finding Title: Subrecipient Monitoring

Program: Crime Victim Assistance (Assistance Listing No. 16.575)

State Agency: Minnesota Department of Public Safety

Summary of Condition: Of the 11 subrecipients selected for testing, the following exceptions were noted:

- No documented evidence of a review being performed for two subrecipient audit reports;
- One subrecipient audit report was not reviewed until 37 days after the management decision deadline;
- One subrecipient audit report was reviewed; however, the date of review was not documented so timeliness could not be determined; and
- Two reviews of subrecipient reports did not result in the issuance of a management decision when federal program or cross-cutting findings were reported.

Summary of Corrective Action Previously Reported: OJP has determined that subrecipient audit reviews require at least 2 staff positions to ensure full compliance with federal regulations and state policies and procedures. OJP hired 1 staff person in September 2024, with an additional staff person anticipated to be hired by December 31, 2025. OJP anticipates receiving authority in SFY26-27 biennium to use 5% to 10% of grant funding for grant administration. This authority would allow OJP to dedicate funds from the OJP base budget for this new position. With the additional staff person, OJP anticipates the correction action to resolve this audit finding could be completed by March 31, 2026.

Status: Not Corrected. OJP created a position to manage reviews of subrecipient audits, ensure proper documentation of reviews, and issue management decision letters timely. OJP will continue to work with FAS on CFR 200 requirements, cognizant agency designation, and procedures to ensure we are in full compliance. Additional staffing is necessary to complete work necessary for compliance. Funds became available July 1, 2025, and OJP will initiate hiring in fall 2025.

OJP hired one staff position in September 2024 to complete requirements of subrecipient audit reviews to ensure full compliance with federal regulations and state policies and procedures. An additional staff position is necessary to complete the volume of audit reviews. The second position is anticipated to be hired by June 30, 2026. With the additional staff person, OJP anticipates the corrective action to resolve this audit finding will be completed by December 30, 2026.

Finding Number: 2022-002

Year of Finding Origination: 2022

Finding Title: Reporting

Program: 1332 State Innovation Waivers (Assistance Listing No. 93.423)

State Agency: Minnesota Department of Commerce

Summary of Condition: The Minnesota Department of Commerce did not report in accordance with the Transparency Act.

Summary of Corrective Action Previously Reported: Compliance with the Transparency Act reporting will occur when the next subaward agreement is signed prior to June 30, 2024.

Status: Fully Corrected. Corrective Action was taken.

Finding Number: 2022-006

Year of Finding Origination: 2022

Finding Title: Reporting – Special Reporting for Federal Funding Accountability and Transparency Act (FFATA)

Program: Title I Grants to Local Educational Agencies (Assistance Listing No. 84.010)

State Agency: Minnesota Department of Education

Summary of Condition: In the sample selected for FFATA testing, it was noted for two subrecipient subawards that the information submitted in FSRS could not be reconciled to the appropriate grant agreements. Additionally, this subaward information was to be submitted in FSRS by July 31, 2021, but was not submitted until September 2022.

Transactions Tested	Report not timely	Subaward amount incorrect
40	2	2
Dollar Amount of Tested Transactions	Report not timely	Subaward amount incorrect
\$ 39,885,232	\$ 1,593,599	\$ 511,353

Summary of Corrective Action Previously Reported: MDE will dedicate additional staff time to FFATA reporting in summer 2024. A temporary staffer will work with the grants and accounting teams in catching up with and completing new reporting. MDE's new grants management software will include better functionality to assist with future FFATA reporting.

Status: Not Corrected. MDE will create and retain supporting documentation for information submitted in FSRS so that it can be reconciled to the appropriate grant agreements.

Finding Number: 2021-021

Year of Finding Origination: 2020 (Finding Number 2020-060) and 2021 (Finding Number 2021-021), as noted below

Finding Title: Reporting – Accuracy of Progress Reports

Program: Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036) (2020-060)

COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing No. 97.036) (2021-021)

State Agency: Minnesota Department of Public Safety

Summary of Condition: Of the 40 projects tested, 35 projects were reported inaccurately or missing required data elements in the quarterly progress reports.

Summary of Corrective Action Previously Reported: Homeland Security & Emergency Management (HSEM) hired a staff member, whose position focus will be on auditing and compliance to ensure that required progress reports will be completed accurately and in a timely manner. The staff member will begin the onboarding process on March 12, 2025, for the federal grant compliance and closeout role.

The staff person will use the EM Grants Pro system to reconcile the projects and federal draw down of funds. DPS will provide training to this new staff member to ensure the staff member is knowledgeable and well-equipped to complete the required tasks.

Over the next 120 days HSEM will work to eliminate unneeded, conflicting or confusing internal spreadsheets. This will help to clean up inconsistencies within the Quarterly Progress Report (QPR) process and the timeliness and accuracy of required reporting.

HSEM staff person will work with Fiscal and Administrative Services (FAS) to revise and update the QPR policy and procedure to ensure the accuracy and timeliness of reporting in compliance with federal regulations.

DPS leadership will monitor the progress report requirements and staff implementation of the internal progress reporting procedure to ensure reports are submitted in a timely manner and in compliance with federal requirements. Leadership will collaborate with staff to address any updates or adjustments of internal processes and procedures.

Anticipated corrective action plan completion date July 15, 2025.

Status: Fully Corrected. Corrective Action was taken.



**Representation of
Minnesota State Colleges and Universities**
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

United States Department of Education

Minnesota State Colleges and Universities respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2025.

Audit period: July 01, 2024 to June 30, 2025

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Findings — Federal Award Programs Audits

2024 – 001 National Student Loan Database System (NSLDS Error Correcting)

Condition: During our testing of 60 students, we noted one student from Pine Technical and Community College where the change in enrollment status was not reported within 60 days. Additionally, during our testing of 60 students, we noted three students from Hennepin Technical College, one student from Pine Technical and Community College, and one student from Central Lakes Community College where the effective date reported on the "Enrollment Level" and "Program Level" report in NSLDS did not match.

Status: See finding 2025-002

Reason for finding's recurrence: The error reports that come from the Clearinghouse can have thousands of records that need to be reviewed. This increases the chance of human error in correcting individual records.

Corrective Action: Additional staff training at affected schools has occurred in order to avoid this finding in the future. Registrars are currently working with System Office IT staff to ensure that the number of errors in the error files are lower and reduce the risk of human error.

2024 – 002 Tier One Arrangements

Condition: During our testing of Tier One Arrangements, we noted Dakota County Technical College, Inver Hills Community College, Pine Technical College, and Saint Paul College did not provide the URL for their Tier One Arrangement to the Department of Education.

Status: Fully Corrected. Corrective action was taken

Corrective Action: The colleges and universities continue to review their policies and procedures surrounding their Tier One agreement as in the prior year, to ensure they are in compliance with the Department of Education requirements. They also continue to ensure the URL is sent to Department of Education appropriately.

2024 – 003 Perkins Record keeping

Condition: During our testing of 40 retired or assigned loans, we noted for St. Cloud State University, one MPN was unable to be located. Furthermore, we noted for Minnesota State University, Mankato, two MPNs were unable to be located.

Status: Fully Corrected. Corrective action was taken.

Corrective Action: The University will implement procedures to ensure that all necessary MPN's are retained in accordance with regulations surrounding Perkins recordkeeping. This will include a new process of attaching these to the student's file in Perceptive Content. Those physical copies of unpaid will still be kept in a fire-proof cabinet. The physical paid-in-full copies are and will still be retained in a physical file cabinet in the Business Office.

